

Patten's Independence Tugs at Chinese Pride

Questions of Power and Mistrust Drive Bickering on Hong Kong Democracy

By Nicholas D. Kristof

HONG KONG — Wars in this part of the world have always been a bit odd, ever since the 19th century invasions by the British to force the Chinese to accept opium. Today's worsening conflict over Hong Kong is no exception. On the surface, the war of words between Britain and China over Hong Kong is about British efforts to make this territory a bit more democratic. But more fundamentally, the conflict is about power, mistrust, pride and a tussle over who will rule Hong Kong until its return to China in 1997.

industries and lowering the voting age to 18 from 21. While China regards any expansion of democracy as likely to make Hong Kong more difficult to govern after 1997, it was outraged most by the fact that it was not given a chance to exercise a veto. Since then there have been other episodes that suggest to China that Mr. Patten is trying to turn a pattern of cooperation — or, as critics saw it, of gentrification — into one of confrontation.

NEWS ANALYSIS

and he has decided to go ahead with construction of an airport without final authorization from China. This week, an exiled Chinese dissident, Wang Ruowang, is in the territory for a visit that breaks the previous policy of Hong Kong's refusing to give visas to people who might offend China.

There has been no British official like Chris Patten, who is so perfidious," lamented the Wen Wei Po, a China-controlled newspaper in Hong Kong.

China's feelings of insecurity and encirclement apparently are the major reason why it has reacted so harshly to Mr. Patten's proposals.

Scared by the humiliations it suffered at the hands of foreign powers beginning in the early 19th century, China remains deeply suspicious that Mr. Patten's real aim is to foil China's triumph in recovering Hong Kong. Chinese officials sometimes suggest, for example, that Britain is trying to use democracy activists as its agents so that London can continue to control the territory after 1997.

"What does he want to do?" Wen Wei Po asked. "Does he want to pursue 'Hong Kong independence' or 'semi-independence for Hong Kong'?"

See CHINA, Page 2

Political fears hurt Hong Kong stocks, and the gloom could spread. Page 13.



HEAT OF THE MOMENT — Acting Prime Minister Yegor T. Gaidar, with his economic program under attack, wiping his face in a moment of strong emotion Wednesday as he told Congress that Russia must stop soaring inflation and runaway spending. Page 7.

UN Is Close To an Accord On a Force For Somalia

U.S. and Allies Agree To Greater Council Role Than in the Gulf War

By Paul Lewis

UNITED NATIONS, New York — The United States has agreed to a significantly greater degree of United Nations involvement in the new military operation that it wants the Security Council to authorize for Somalia than it was prepared to accept two years ago in the Gulf War against Iraq.

This became clear on Wednesday when the United States, Britain, France and Russia — four of the five permanent Security Council members with a veto on decisions — agreed on a draft resolution authorizing the humanitarian enforcement operation that they want the council to adopt later this week.

Officials predicted that final action on the resolution could come as early as Thursday.

China, the fifth permanent member, has already made clear that it will abstain when the council votes to allow the United States to lead

Prospects for a Somali mission are bleak, CIA tells President Bush. Page 6.

such an operation, designed to disarm Somalia's warring factions and allow aid workers to deliver food to that country's starving people in safety and free from looting.

The draft resolution approved Wednesday would respect the Bush administration's insistence that the United States have control of the multinational force.

But the United States and its allies have made several concessions to developing and industrialized nations that said the Security Council had lost all influence over the conduct of the Gulf War after voting to authorize it.

The United States is now prepared to involve the UN secretary-general, Boutros Boutros Ghali, more deeply in the preparations for the operation and to ensure that he and the Security Council are kept much more closely informed about the day-to-day conduct of the Somali operation than was the case with Operation Desert Storm.

African and other developing countries, however, are pressing for additional changes in the draft resolution that would further deepen UN involvement by authorizing the secretary-general to organize the force himself and personally appoint its commanding officer.

President George Bush called President-elect Bill Clinton to discuss Somalia. The Associated Press reported from Washington. The White House said Mr. Bush was also consulting world leaders.

[An administration official said Mr. Bush was considering whether to address the American people by television to explain the military relief mission.]

John M. Gushko and Trevor Rowe of the Washington Post reported earlier from the United Nations.

Responding to Mr. Boutros Ghali's call for guaranteeing deliveries of food and medicine through a countrywide show of force, the United States circulated proposals Tuesday and Wednesday for creating a U.S.-commanded force operating under a UN mandate, and diplomats said the formula did not face serious opposition.

"Every single member accepted the secretary-general's analysis that the top priority is to give aid to people who are starving," said Sir David Hannay, the chief British delegate to the United Nations. "There is a remarkable convergence on the idea of a multinational force, and I believe we are moving toward a decision by Thursday."

The goal, diplomats said, is to work out a resolution ensuring that any American troops, who would make up the biggest part of the force, remain under U.S. command. At the

See SOMALIA, Page 6

Neo-Nazi Words and Music: Rocking to an Inflammatory 4/4 Beat

By Ferdinand Protzman

BONN — The house lights dim. A red glow illuminates the stage as dry-ice fog cascades into the audience. The crowd goes into a frenzy as four shaven-headed musicians rip into a song, drums thumping a 4/4 beat, electric guitars blaring simple chords at piercing volume, lead singer hoarsely screaming the words.

hits like their 1990 song, "Kraft für Deutschland," or "Strength for Germany," and the lead singer, Jörg Petrich, howls the words: We fight shaved, our fists are hard as steel, Our heart beats true for our fatherland. Whatever may happen, we will never leave you. We will stand true for our Germany. Because we are the strength for Germany. That makes Germany clean. Germany awake!

audience of about 1,000 young people begins chanting, "sig heil." Some give the stiff-armed fascist salute. Several young men unfurl a black-white-and-red Third Reich battle flag emblazoned with the swastika. Fans of rightist and neo-Nazi rock — known as Oi music — can be found in the United States, South America and throughout Europe. In the last few years, it has been gaining popularity and acceptance in Germany and parts of Eastern Europe.

It is a heady position for a group that started out 10 years ago with songs like "Turks Out," the chorus of which goes: "Turks out, Turks out — Turkish pack, out, out, out, out of our land." The recording is still available. It is impossible to gauge the effect of rightist music on the increased neo-Nazi violence, just as it is to measure the influence of heavy metal music's contribution to satanism. But the sentiments expressed by bands like Storkraft and Bohse Onkelz have been reflected in escalating anti-foreigner violence in Germany. Advocating Nazism, racism, xenophobia, violence and

See OI, Page 6



AGAINST THE WALL — National guardsmen in Tkvarcheli, Georgia, captured in ethnic fighting, guarded by an Abkhazian.

Kiosk section containing various news snippets: Health/Science (A history of climate is stored in tree rings. Page 12), Business/Finance (U.S. executives are scrambling to take pay packages now. Page 13), EC steelmakers fear backlash from a U.S. tariff move. Page 15, Crossword (Page 22), Weather (Page 22), Dow Jones (Down 8.11, 3,286.25), Trib Index (Down 0.12%, 90.56), The Dollar (New York, West, close, previous close: DM 1.574, 1.573; Pound 1.5525, 1.5485; Yen 124.42, 124.15; FF 5.3655, 5.3665).

Bundesbank Steps In Early To Help Defend the Franc

By Carl Gewirtz

PARIS — With speculation increasing against the French franc, the German central bank signaled Wednesday that it was prepared to go even further than it did in September to head off a devaluation of the franc. The significant new element was that the Bundesbank intervened, selling Deutsche marks to purchase francs, without requiring the French central bank to first step up its own defense by raising domestic interest rates, as it did the last time the franc came under attack.

"The pressure is still there," said Erick Muller at Credit Commercial de France. The chief dealer at a U.S. bank in London said, "We're in for a continuing battle."

But in the view of a senior French official, "it's a battle speculators have already lost once — and will lose again."

The market is mistaken in underestimating "the capacity of France and the Franco-German commitment" to defend the exchange rate, the official said. The issue may arise as President François Mitterrand and Chancellor Helmut Kohl meet Thursday and Friday in Bonn.

The Danish krone also came under pressure, and the central banks of Belgium and the Netherlands joined the Danes in supporting the currency.

A spokesman for the Bundesbank said that from the context of Mr. Schlesinger's remarks, it was clear Mr. Schlesinger was not referring to the franc but rather to currencies pegged at what he considers unrealistic values. Mr. Schlesinger and other senior Bundesbank officials have repeatedly said that the fundamentals for the French franc and the Danish krone do not warrant a devaluation of those currencies.

Nevertheless, doubts in the foreign-exchange market persist about the ability of France and Denmark to maintain the high level of domestic interest rates needed to hold their currencies stable at a time of widening economic slowdown.

Concern about the burden of high interest rates has been fueled by repeated statements from Mr. Schlesinger and others that the Dec. 10 meeting of the Bundesbank's policymakers, the last of this year, is unlikely to result in an easing of German monetary policy.

The continual stretching out of the timing of the expected cut in interest rates risks creating a major crisis ahead of the French parliamentary

See FRANC, Page 14

Israel Seeks to End PLO Contact Ban

JERUSALEM (NYT) — After a two-month delay sought by Prime Minister Yitzhak Rabin, the government asked parliament on Wednesday to lift a ban on contacts with the Palestine Liberation Organization but repeated its rejection of negotiations with the group. The first reading of the bill passed by a vote of 37 to 36, Israeli radio reported; to become law it must pass three readings. Justice Minister David Libai proposed a repeal of a 1986 law that prohibits meetings between Israelis and PLO members. Mr. Libai said the ban was "against the principles of democracy" and sought "to force a political view on individuals." He said antiwar campaigners convicted of violating the restriction had not endangered state security.

Health/Science (A history of climate is stored in tree rings. Page 12), Business/Finance (U.S. executives are scrambling to take pay packages now. Page 13), EC steelmakers fear backlash from a U.S. tariff move. Page 15, Crossword (Page 22), Weather (Page 22), Dow Jones (Down 8.11, 3,286.25), Trib Index (Down 0.12%, 90.56), The Dollar (New York, West, close, previous close: DM 1.574, 1.573; Pound 1.5525, 1.5485; Yen 124.42, 124.15; FF 5.3655, 5.3665).

For Hollywood, a Call to Boycott Aspen Hits Too Close to Home

By Bernard Weinraub

HOLLYWOOD — This town is virtually engulfed by civil war. The rich are in turmoil. Statements are flying over the fax machine. There are angry phone calls. What's a politically correct entertainment personage to do? Go to Aspen over Christmas or not? The underlying issue: Barbara Streisand's recent suggestion that she would be willing to join a boycott of Colorado, the state whose voters last month overturned laws guaranteeing civil rights to homosexuals. But following a

tsunami of negative reaction from stars and power brokers who were already ordering mechanics in Aspen to tune up their \$40,000 Land-Rovers for the holidays, Ms. Streisand backed off. It was as if the singer and director had dared to propose that her friends in Hollywood actually... sacrifice. One studio executive said simply: "This flap proves the axiom that people in Hollywood are perfectly willing to speak out on issues so long as it doesn't affect them or inconvenience them." Barry Diller, the former chairman of Fox

inc. and one of the more powerful men in town, said, with obvious relief, that the boycott issue did not affect him. "I have a house in Utah," he said. The furor began shortly after Election Day, when Colorado voters passed Amendment 2, which voids and prevents adoption of legislation that protects homosexuals from discrimination. Quickly, several groups called for boycotts of Colorado, but the issue was largely ignored until Ms. Streisand spoke two weeks later at a gift benefit for a Los Angeles AIDS project.

After denouncing the "vote for hate in Colorado," she said, "There are plenty of us who love the mountains and rivers of that beautiful state, but we must now say clearly that the moral climate there is no longer acceptable, and if we're asked to, we must refuse to play where they discriminate." Ms. Streisand's speech was immediately interpreted as a call for a boycott. Unthinkable, said much of Hollywood, for whom Aspen is a favorite play spot. The actress later insisted that she had not actually called for a boycott, but that she would agree to one if asked. By

See ASPEN, Page 6

Marine Force Of 1,800 Sails For Region

WASHINGTON — A U.S. Marine task force ferrying helicopters, armored vehicles and 1,800 Marines was steaming toward the Somali coast Wednesday in anticipation of an expanded United Nations relief mission, U.S. military officials said. For security reasons, spokesmen for the Pentagon and the Florida-based U.S. Central Command declined to say precisely where and when the three-ship task amphibious task force would anchor off Somalia. The chief Pentagon spokesman had previously indicated that the troops would arrive in the area as early as Thursday.

If ordered to land, the troops would presumably first secure an airport, possibly at Mogadishu, for the eventual arrival of thousands of other U.S. forces by transport plane. About 6,000 troops from the U.S. Army's 82d Airborne Division are reportedly ready for the kind of rapid deployment that the mission of escorting famine relief supplies would require.

An additional 12,000 paratroopers could be sent within a few days, according to one account.

According to the Pentagon, Central Command officers, who oversee U.S. military operations in the Gulf and Indian Ocean, wanted the Marines to be standing by in case the UN Security Council authorizes the use of force to escort food convoys in Somalia.

TRANSITION / A MESSAGE FROM CLINTON

POLITICAL NOTES

Capital Can Be a Shock to House Freshmen

WASHINGTON — Most came to town experienced in politics and government, but House members-elect who gathered to begin their freshman orientation said there still was plenty to marvel at — or get accustomed to — about the ways of Washington.

"I came here prepared, but this is a big system," said Corinne Brown, Democrat of Florida, a former state legislator.

But impressions of 1992 freshmen from their first group visit to Capitol Hill tended to focus on the basic changes coming in their lives. Representative Brown said she was not ready for the last lanes. "I'm going to try public transportation," she said.

But, cutting across regional and party lines was shock at District of Columbia and suburban real estate prices. John L. Mica, Republican of Florida, described the local market as offering "half the square footage for twice the cost." (WP)

Republicans Primed for a Clinton Hopeful

WASHINGTON — Democrats got a lot of campaign mileage out of charges that President George Bush helped arm Saddam Hussein before the Gulf War. Now, some conservative Republicans on Capitol Hill are gearing up to turn this affair against a Silicon Valley, California, mogul, if President-elect Bill Clinton picks him for secretary of commerce.

John Young, president and chief executive of Hewlett-Packard Co. in Palo Alto.

Mr. Young's company sold computers and other equipment to Iraq before the war. Even though the Hewlett-Packard sales were legal, an aide to a Republican senator says that a key question would be pressed at any confirmation hearings for Mr. Young: Would he go overboard selling goods to foreign markets without regard to the potential for spreading dangerous arms? (LAT)

Quote-Unquote

Robert B. Reich, the Harvard University professor who is heading President-elect Bill Clinton's transition team for economic policy, commenting on recent statistics that the economic situation was improving: "We've had false dawns before. There's very little evidence right now that the jobs picture is improving enough to signal a genuine recovery." (Reuters)

Away From Politics

- The Galileo spacecraft will make a second pass by Earth when it travels just 190 miles (304 kilometers) over the Southern Hemisphere on Dec. 8, two years to the day after the spacecraft's first pass, project scientists said in Los Angeles.
- A Pennsylvania researcher reported that freezing tumors in prostate cancer patients can be effective in treating cases once considered hopeless. The technique, known as cryosurgery, has also been successful with liver cancer, said Dr. Gary Onik, an interventional radiologist at Allegheny General Hospital in Pittsburgh.
- A chemical that appears to give diabetic rats insatiable appetites and causes obesity, as well as sites in the animals' brains where abnormal amounts of the chemical are produced, has been discovered by Miami researchers. Neuropeptide Y or NPY is also found in the human brain and the research team's leader said it is the most likely culprit for the appetites and obesity plaguing human diabetics.
- Job-related discrimination complaints reached their second-highest annual figure since the 1964 Civil Rights Act became law, the Equal Employment Opportunity Commission said. It said that for fiscal 1992, there were 70,339 complaints filed — including, for the first time, filings based on the new Americans with Disabilities Act. The record was set in fiscal 1988, with 70,749 complaints.
- A New York City School Board has been suspended for refusing to adopt a multicultural curriculum that, among other things, teaches first-graders to respect and appreciate homosexuals. Accusing the board's members of waging "a malicious and highly organized campaign" to distort the curriculum and alienate parents, the chancellor of the city's schools, Joseph A. Fernandez, appointed three executives from his staff to take over the day-to-day operation of District 24 in Queens and, with parents and teachers, to devise a curriculum that includes lessons about gay men and lesbians.
- A black homeless man said he was beaten by Hasidic Jews in a racially torn New York neighborhood. The man, Ralph Nimmon, 25, told the police that a mob of 10 to 15 Hasidic Jews hurled racial insults and beat him with a small baseball bat behind the building in Crown Heights, Brooklyn, that houses the worldwide center for the Lubavitcher sect of Jews. (Reuters, UPI, AP, NYT, LAT)

Inauguration Gala: 10 Black-Tie Balls and a Clothing Drive

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The five-day gala that will usher President-elect Bill Clinton into office next month will be big, bold and, above all, filled with symbols of popular inclusiveness.

The new president will arrive by bus from the home of Thomas Jefferson in the Virginia hills. He will open the White House for three hours to anyone wishing to shake his hand. Ordinary Americans who inspired Mr. Clinton during the campaign will be honored at a luncheon. Food and clothing will be gathered for the homeless.

These events are designed, in part, to send a message about the kind of president Mr. Clinton intends to be. Inaugural organizers said. They have given the entire affair a theme: "An American Rounin: New Beginnings, Renewed Hope."

Barbra Streisand and Judy Collins, will perform at a televised "American Gala" at a suburban sports arena.

But tradition and elegance will not be lost. On Jan. 18, a holiday honoring Martin Luther King Jr., special commemorative events will be held. A prayer service and congressional reception will open Inauguration Day, Jan. 20, before Mr. Clinton takes the oath of office at noon. Ten black-tie balls, with 65,000 invitees, will follow throughout the capital that evening, one especially for residents of Mr. Clinton's home state of Arkansas.

"This inaugural is going to be an open inaugural, an accessible inaugural and a dignified inaugural," Ron Brown, national chairman of the Democratic Party, said Wednesday in announcing the festivities.

Quincy Jones, the musician and producer, will organize a festival, free concert and fireworks outside the Lincoln Memorial the Sunday before Mr. Clinton takes his oath of office. Entertainers, possibly including

Barbra Streisand and Judy Collins, will perform at a televised "American Gala" at a suburban sports arena.

He pointed out that the cost for all the events — less than \$20 million, by his estimate — would be below that of the three most recent Republican inaugurations and that the \$125 ticket price for the balls would also be below recent Republican balls. President Jimmy Carter reportedly spent less than \$4 million on his inaugural in 1977.

Private donations underwrite the entire affair except for the vast security apparatus being coordinated by the Washington police, the Secret Service and the U.S. Army.

Eight events will be free to the public. The balls will be by invitation only.

The inaugural organizing committee released the following tentative schedule:

Sunday, Jan. 17 — Tour of Jefferson's home, Monticello. Bus trip to Washington following the route Jefferson took for his inaugural. Festival and concert on the Washington Mall at the Lincoln Memorial. Fireworks.

Monday, Jan. 18 — Reception by Mr. Clinton for

diploamats, at Mr. Clinton's alma mater, Georgetown University. American Citizens Lunch for those who inspired the Clintons during the campaign. Various inaugural dinners. Free "American Gala" televised from the Capital Centre in Landover, Maryland. Attendees asked to bring food or clothing for the homeless.

Tuesday, Jan. 19 — Luncheon for current and former state governors at the Library of Congress. "Salute to Children" and "Salute to Youth" at the Kennedy Center for the Performing Arts. "Presidential Gala" at Capital Centre.

Wednesday, Jan. 20 — Prayer service. Reception with congressional leaders. President George Bush and his wife, Barbara, receive the Clintons at the White House. Swearing-in for the new president and vice president at the Capitol. Inaugural address at the Capitol. Congressional luncheon. Parade to the White House. Inaugural balls.

Thursday, Jan. 21 — Open house at the White House, 9 A.M. to noon. Afternoon reception for residents of Arkansas. Evening reception for Clinton campaign staff.



President-elect Bill Clinton receiving a Navajo rug from the president of the Navajo Nation, Peterson Zah, in Little Rock.

Clinton Trying to Enlarge 'the Bubble'

By Michael Kelly
New York Times Service

WASHINGTON — Bill Clinton, determined to have in the White House some measure of freedom and privacy, has begun a systematic effort to push the edges of "the bubble," the constricting cocoon of bodyguards and journalists that is every president's shadow.

Since at least the days of Harry S. Truman, presidents have complained of the great sacrifice in movement and privacy the office has come to entail, and many have tried to do something about it. Mostly, they have failed, and the bubble has grown tighter. George Bush lives almost completely within it.

Mr. Clinton is bringing an unusual degree of insistence to the fight, and has already had a measure of success. The Secret Service agents have adjusted their routines to deal with his frequent habit of rushing into crowds and engaging in close conversations with anyone who strikes his fancy.

Now he has begun to push further, seeking escape from the strictures imposed by the system of White House news coverage, in which a president's movements in any public area is covered by a small pool of journalists.

"I wish him well, and he probably can expand the envelope a little, but the practicalities of the mat-

ter make it very difficult to sustain that," said Jody Powell, who was press secretary to Jimmy Carter, another president who liked to keep his private time private. "People are going to want to cover what the president does."

So far, Mr. Clinton is moving much more freely among the public than did Ronald Reagan or does Mr. Bush, and has made it clear to the Secret Service that he intends to continue this after entering the White House.

Bruce Lindsey, a longtime confidant of Mr. Clinton, said the Secret Service had already agreed to his insistence that he be allowed to make his morning runs outside the White House.

Mr. Clinton's method is simple: He does what he wants when he wants it, and does not let reporters in.

When the governor exercises in the YMCA in central Little Rock, the journalists wait outside. When he plays golf, they remain in the clubhouse.

Several weeks ago, when he decided on the spur of the moment to leave the governor's mansion in Little Rock and have a beer in a Mexican restaurant with the commentator Bill Moyers, the journalists assigned to cover his movements that night were unaware.

"You all have been asses ever since we started," Mr. Lindsey told reporters on Mr. Clinton's jet, re-

Critic of Campus 'PC' Quits Humanities Post

The Associated Press

WASHINGTON — Lynne Cheney is stepping down as chairman of the National Endowment for the Humanities, where she has been the Bush administration's most vocal critic of "political correctness" on college campuses.

In a letter to her staff, Mrs. Cheney said she would resign Jan. 20, when the Clinton administration takes office, 16 months before the end of her second four-year term.

Her deputy, Celeste Colgan, will serve as acting chairman until a successor is nominated by the incoming president.

Among her accomplishments, Mrs. Cheney listed the endowment's support for the National Center for History in the Schools at the University of California at Los Angeles and funding for Ken Burns' television documentary "The Civil War."

"I have also seen it as my responsibility to inform the public about controversies on our campuses," she said.

"Ensuring that intellectual freedom is protected and thrives is one of the most important tasks of our day," she said, "and I hope that the endowment will remain a strong advocate of the idea that the university is a place where ideas should clash and compete."

Mrs. Cheney has been an outspoken critic of liberal "political correctness" on college campuses, which demands that multicultural-

ism and the roles of women and minority groups be given equal weight to traditional Europe-based scholarship.

She told The Washington Times, in an interview published Wednesday, that "it would have been a different situation if Bush had won."

Her husband, Defense Secretary Dick Cheney, is frequently mentioned as a potential Republican presidential candidate in 1996.

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End Squandering? It's Hard, U.S. Says

By Keith Schneider
New York Times Service

WASHINGTON — After years of effort to transfer government work to private companies, the White House has acknowledged that contractors are squandering vast sums because federal agencies fail to supervise how hundreds of billions of dollars are spent each year.

In a report prepared for Richard G. Darman, the director of the Office of Management and Budget, federal auditors from the White House and 12 agencies said that private companies had been paid for unauthorized and, at times, illegal expenses, including tickets to sporting events, lavish cruises and excessive salaries for executives.

The auditors said that even as the government vastly expanded its use of private contractors to assume duties as basic as writing congressional testimony for cabinet officers and as sweeping as cleaning up widespread environmental contamination produced by the military, the Reagan and Bush administrations tried to save money by cutting the staffs of the federal offices that supervise contracts. Congress approved that policy by approving the administrations' budgets.

A top official of the Office of Management and Budget said the report was intended to draw attention to a basic management problem that was wasting billions of dollars, though the exact amount is not known.

Still, the sweeping assertions about mismanagement and specific recommendations for fixing the problems also make it among the most incisive critiques ever published by the government of a central philosophical tenet of the Reagan-Bush era: the idea that private companies can do the federal government's work better and for less money.

The White House study is the product of a five-month investigation that was prompted by disclosures of mismanagement made over the last year by several congressional committees and the General Accounting Office.

sight and investigations. Mr. Dingell made an advance copy of the report available.

Although opponents have argued that many government responsibilities are inherently unsuitable for private enterprise, Ronald Reagan and George Bush pushed hard to increase government contracts to private companies.

The government spent \$210 billion in the 1992 fiscal year on contracts for goods and services, or roughly one-sixth of all government spending, according to the budget office. The percentage of money spent for contracts has risen sharply over the last decade, according to the budget office.

In several agencies, particularly the Department of Energy, the Environmental Protection Agency and the National Aeronautics and Space Administration, contractors are performing virtually all of the work.

Although investigators are unsure about the amount of money wasted each year, they wrote that there was evidence that the problem is endemic across all the civilian agencies. In almost every instance where auditors took a close look at contracts, they found problems.

Lockwood Greene Inc., a company that held a \$38 million contract at the Energy Department's Oak Ridge National Laboratory in Tennessee, was found by the government to have spent \$3.5 million on unallowable costs like liquor, travel for the spouses of employees and registrations for golf tournaments.

CH2M Hill, an Oregon company that supervises the cleanup of hundreds of toxic waste sites for the EPA and more recently for the Department of Energy, billed the government for parties, country club fees for employees and the use of a corporate airplane, the auditors said. All of these expenses were prohibited, they said.

The problem of fraudulent charges from the private contractors is far from unique to the Bush and Reagan administrations.

But the conclusions of the report by the White House budget office, the first comprehensive study of contracting across all the government's civilian agencies, suggest that such heavy reliance on private companies can only be effective if the government closely supervises its contracts.

The Sulka Robe

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OPINION

Herald Tribune

The First Job in Somalia

Both in the United States and at the United Nations, the American offer to dispatch troops to bring aid to Somalia is being treated as an idea whose time has finally come.

In the American view, a Somalia expeditionary force would deliver relief and suppress the warlords and gangs, but would not undertake to establish a new administrative or political order.

Assignment for Bush

Although George Bush may be brooding about his defeat, rewarding work awaits him in his final weeks.

on its missiles, thus avoiding the costs of building new single-warhead missiles and silos to shelter them.

Recovery for Whom?

It is welcome news if the American economy is finally recovering at a healthy rate, but not everyone is participating equally in the recovery.

Even staunch defenders of the rest of the record of the past 12 years will concede that the economy is leaving too many people behind.

Other Comment

One Billion Rural Poor

Human resourcefulness is one of the world's most undervalued assets; nowhere is that more evident than in the plight of the world's rural poor.

What Somalia Needs

A political understanding acceptable to all parties remains the only basis to restore security and stability to Somalia.

Troops to Somalia: A Puzzling Good Deed

By Jim Hoagland

WASHINGTON — The sudden offer by President George Bush to send a division of American soldiers to face down Somalia's warlords is mysterious in its timing and logic.

Mr. Bush, Mr. Cheney and General Powell have thus far failed to explain clearly the strategic cause and consequences of their change of heart on committing massive force to Somalia.

At one level, the case for intervention is clear — it has been for months. Feeding starving Somali civilians and preventing hundreds of thousands of deaths in the Horn of Africa is a noble, urgent purpose.

Bosnia is perceived as too complex and too dangerous. America and its European allies have been unable to agree on political goals that would justify the one step that would stop "ethnic cleansing" and the other atrocities: going to war against Serbia.

Freed from Cold War restraints and obligations, the American military may turn out to be the ideal organization for global humanitarian emergencies.

Somalia seems to represent the other side of the coin, a chance for intervention without political goals or significant risk.

Why then do I feel uneasy about the mission's seemingly disproportionate size, its fuzzy rules of engagement and the lack of a doctrine that would describe how the proposed deployment of 20,000 American soldiers to Somalia will defend vital U.S. interests abroad?

War is, as Clausewitz means, the extension of politics by other means. But General Powell's interpretation of Invincible Force seems to see military intervention as an end in itself.

During a trip to Somalia, I asked a friend in his 20s what the world should do. Buy the weapons off the street, he said.

The idea sounded naive; stop the war by offering to buy weapons. But it just might work. The young men who are running around shooting off guns are not trained troops or dedicated guerrillas.

Does all this mean that the world must stand by and watch people die? No. To begin with, the former UN special envoy to Somalia, Mohamed Sahnoun, ought to be brought back immediately.

There is another, astonishingly simple way to reduce the mayhem and starvation.

First Buy Up the Youngsters' Guns

By Raymond Bonner

NAIROBI — Before America rolls into Somalia, because the United Nations has failed there, it had better understand what it is getting into.

It no longer is a functioning country; it has no government, no telephone system, no infrastructure, no police force, no banks, virtually no business other than war.

Does all this mean that the world must stand by and watch people die? No. To begin with, the former UN special envoy to Somalia, Mohamed Sahnoun, ought to be brought back immediately.

Obviously not all weapons would be turned in, and some Somalia would use the money to buy another weapon.

Buying weapons is not a foolproof solution to Somalia's misery, of course, but it should be tried before troops are dispatched.

There is one other, astonishingly simple way to reduce the mayhem and starvation.

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One Cheer For Our Politicians

By Flora Lewis

PARIS — Recent events, including the American presidential election and the lead-up to the French election, have combined to highlight the general sense that politics has lost its purpose.

These are strange ideas, reflecting the current popular disaffection as well as a forgetfulness of how democracy functions.

The first seems to yearn for more ideology just when, at last, the terrible burden of ideology has been shed.

There are all sorts of things wrong with political parties as they exist in practically every democratic country.

There is one other, astonishingly simple way to reduce the mayhem and starvation.

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For Hong Kong There Is No Return to Square One

By George Hicks

HONG KONG — Governor Chris Patten argues that democratic reforms are essential for the long-term survival of Hong Kong's life-style.

China will continue to wage a war of attrition against Mr. Patten in the hope of isolating him and bringing about his downfall.

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Confrontation Isn't the Way Forward

By Bryce Harland

LONDON — For the first time since Britain seized Hong Kong during the Opium War, the governor of the colony has become an international figure.

Britain should be cast to the wind. Mr. Patten's proposal has excited widespread interest in Hong Kong.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Not Real Burns

PARIS — A couple of years ago, Mr. Kennedy, a New York banker, presented to the City of Edinburgh an alleged photograph of some poems of Robert Burns.

1942: Mussolini Replies

LONDON — [From our New York edition:] Premier Benito Mussolini, in answer to Prime Minister Churchill's threat to bomb Italy out of the war, said today (Dec. 2): "We have spent hundreds of millions of lire on shelters that can resist the biggest bombs. Churchill asks Italians, 'How long will this last?' I, Mussolini answer, 'Forever until we have achieved complete victory.' If I had listened to that hyena Roosevelt, he would have thought me a 'chump.' Churchill says my empire has gone. I reply that the last word has not yet been spoken."

1917: Americans Fight

BRITISH FRONT — American soldiers fought shoulder to shoulder with the British troops before Cambrai on Friday (Nov. 30). The Americans were working on railway construction and repairs when they were

1892: Not Real Burns

surprised by the sudden onslaught of the German waves. They flung away their tools, took rifles and ammunition from fallen soldiers and helped to stem the tide. They fought heroically, and several of them fell gloriously facing the enemy.

OPINION

These Cautious Overseers Won't Rebuild America

By Robert Kuttner

WASHINGTON — The recent signs of U.S. economic growth only complicate the choices facing Bill Clinton, strengthening the hand of those who insist that the economy is on the mend and that heroic measures are not needed.

From 1945 to 1973, the U.S. economy grew at an annual rate of about 4 percent. Since 1973, the average has been closer to 2.5 percent. Mr. Clinton will need bold medicine to restore economic performance to that of the glory years.

The initial reports of candidates to lead his economic team are somewhat disappointing. They fall into two camps. One emphasizes the U.S. economy's structural problems: the failure of schools to prepare productive workers; the inefficiencies of banks and money markets; heavy reliance by technology on the military; the bias of economic institutions toward short-term investment; the decaying infrastructure; and America's failures as an effective trading nation.

To some extent this activist group blurs the usual ideological lines. It includes self-described liberals such as Robert Reich and Ira Magaziner. It also includes moderates such as the economist Robert Shapiro, the author David Osborne, and even Republican supporters of Mr. Clinton like Clyde Prestowitz.

A second group advising Mr. Clinton thinks the main problem afflicting the economy is deficit reduction. This includes several economists associated with the Brookings Institution, many Wall Street investment bankers, and certain members of Congress.

Two leading candidates for the top economic posts are Senator Lloyd Bentsen of Texas as treasury secretary and the Brookings economist Alice Rivlin as director of the Office of Management and Budget. This does not augur well.

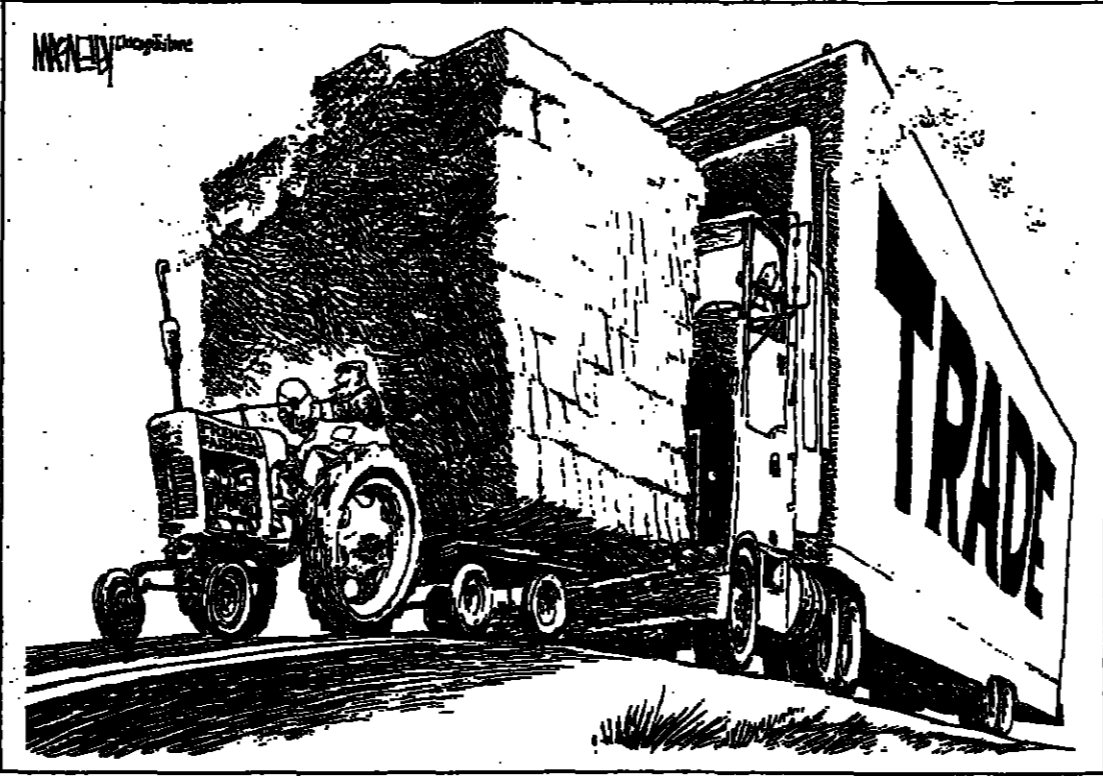
under his chairmanship, has been a nest of special-interest legislation.

As Treasury secretary, Mr. Bentsen supposedly could help Mr. Clinton get budgetary compromises through Congress. But he might make those compromises even more difficult by loading them with narrow-interest tax loopholes.

As for Mrs. Rivlin, she represents the semi-permanent Washington economics establishment, and a rather conservative facet of it, at that. She is something of a deficit hawk and a skeptic on whether the structural economic issues matter.

If Lloyd Bentsen and Alice Rivlin get these top posts, it will signal a fairly traditional, incrementalist Democratic Party, as well as a cautious approach to economics — and more years of 2 percent growth.

Washington Post Writers Group.



No, We Can't Have It All: A Reality Check for Clinton

By Peter G. Peterson

NEW YORK — We have spent the last couple of years undergoing a reality check. No, it's not morning in America. No, we can't have it all. Yes, deficits matter. Traditional values such as hard work, savings, education and workmanship count. Indulgence, debt, indifference and greed don't work.

Revising the steady improvement of Americans' living standards requires more investment in everything that enhances long-term productivity growth: equipment, infrastructure, research and development, retraining, education and preschool care for inner-city children.

We must strive more to afford this investment; such savings mean sacrifice, and the struggle will take at least a decade. Bill Clinton needs to get America saving, investing and growing again.

The administration must establish the principle that the best short-term stimulus strategy must be a long-term economic program that also guarantees step-by-step deficit reduction. By winning over markets, the media, producers, consumers and, above all, the voters, such a program will reduce long-term interest rates and thus stimulate short-term growth.

strategy stalemated and truculence at trade talks. Get America's private sector investing again. Enact a focused investment tax credit and a research and development tax credit.

Get America's public sector building again. Propose an ambitious public-sector infrastructure program in which funds will go to projects that truly enhance productivity. Pay for the program with a phased-in gasoline tax and user fees, not more debt.

Design and fight for a cap on the yearly growth of federal spending. Meet such a cap by taxing welfare for the well-off while assuring households near the poverty line that their safety net will not be touched.

Put the middle-class tax cut on the back burner for now. Set up bipartisan commissions now to deal with long-term issues that have too long been deemed untouchable: comprehensive health care and entitlements.

These are tough challenges. But they offer Bill Clinton a chance to be the great president of a great nation.

With America's fiscal house in order, you can lead a program of coordinated global growth. You will have new leverage over Tokyo's budget and trade surpluses and be able to help Europe surmount its growth-

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The writer is chairman of The Blackstone Group, investment bankers. He contributed this comment to The New York Times.

The Jews and the Japanese: Some Myths to Beware Of

By Sheila K. Johnson

LOS ANGELES — In July, the Tokyo weekly Shukan Post published an article entitled "Japanese Corporations Are Dogged by the Stock Manipulations of Jewish Capital." It was not the first time, and doubtless will not be the last, that anti-Semitism has been openly expressed in Tokyo.

Yet most Japanese would be surprised to hear themselves called anti-Semitic.

MEANWHILE

particularly since they usually cannot tell a Jewish foreigner from a gentile. Many Japanese also profess to admire Jews as intelligent people with business acumen and strong ethnic loyalties.

As Ben-Ami Shillony notes ruefully in his new book "The Jews and the Japanese," with Japanese it is often hard to know where philo-Semitism leaves off and anti-Semitism begins.

Mr. Shillony, a prominent Israeli professor of Japanese history, analyzes the history of contact between Jews and Japanese. But his book, subtitled "The Successful Outsiders," also compares the two groups in terms of certain cultural attitudes. For example, Mr. Shillony points out that early in their histories, both regarded themselves as "chosen peoples," and, he says, the gap between self-image and the reality of two "not very impressive countries on the fringes of the great empires of their time ... created among both the Japanese and the Jews a tension that proved to be highly productive.

Mr. Shillony, the son of a rabbi, is insightful about similarities between Judaism and Shinto. Both "are religions that affirm life and shun suffering and death." When it comes to Japanese attitudes toward Jews, Mr. Shillony makes a good case for these having been formed by Christian missionaries, the Bible, "The Merchant of Venice" (the first of Shakespeare's plays to be translated and performed in Japan) and Japanese Christian sects.

One of these sects, Makuya, calls for a return to the Hebrew origins of Chris-

tianity, takes the Jewish menorah rather than the cross as its chief symbol and conducts annual pilgrimages to Israel.

Mr. Shillony notes that one reason that the idea of a common ancestry of Jews and Japanese "still fascinates segments from both societies is that it satisfies the Jewish desire for larger numbers and the Japanese yearning for deeper roots." He cites Masanori Miyazawa's suggestion that for some Japanese, "identification with the Jews is a psychological defense against the West. Attracted by Christian morality but threatened by Western culture, these Japanese have attempted to identify with the 'original Christians,' i.e., the Jews."

My own, somewhat harsher, assessment is that both Japanese and Jews as successful outsiders — suffer from a "how-are-we-doing" complex. Both are charmed by favorable stereotypes: for example, the notions that Jews have produced more than their share of philosophers and Nobel-winning scientists and musicians; or that Japanese are more artistic, have a better sense of design and are better engineers. Unfortunately, this primitive sense of bonding — of "we" versus "others" — promotes not only positive but also negative stereotyping.

It is often said that the United States is not really a "melting pot" but more of a "salad bowl," where ethnic groups have retained some of their cultural traits through generations. Ethnic slurs and jokes abound. But awareness of their diversity also makes Americans wary of being stereotyped. Americans are ... happy-go-lucky? Lazy? Open-hearted? Violence-prone? War-like? Some Americans, maybe. But Americans as a whole resist such labels.

Would that Jews and Japanese also were more skeptical of self-characterizations. But if solid research and insightful analysis can help dispel such myths, Mr. Shillony's book should do much good.

The writer is an anthropologist and author of "The Japanese Through American Eyes." She contributed this comment to the Los Angeles Times.

LETTERS TO THE EDITOR

The Fire Next Door

Your recent reports on "ethnic cleansing" in Bosnia produce a sense of outrage and fury, but let us not pretend that we haven't known about this all along. Anthony Lewis calls for action by the United States ("Stop Tolerating the Massacre of Bosnia," Opinion, Nov. 28). But is it not rather for Europe to act? What good is it to have one's mouth full of talk about a politically united European Community if no common action can be taken when the house next door is burning?

Many European politicians are causing this passiveness by saying that no country can be expected to send its boys into such a hornet's nest, that it is easier to begin a war than to end it, and so on.

But nobody will convince me that if you sent professional soldiers from the EC countries, if you made it known that any Yugoslav of whatever ethnic group who is seen carrying an arm will be shot at, if maximum airpower were used against military positions, if the country were tightly blockaded — the war would not be over in a jiffy. JACQUES DUVOISIN, Lyon.

A Matter of Choice?

Paul Cellucia refers in his article, "Republican, Gay and Pro-Clinton" (Opinion, Nov. 13), to Vice President Dan Quayle's repeated insistence that homosexuality is a "lifestyle choice."

I suppose that individuals who say of homosexuals, "He (or she) made the wrong choice," must, at some time, have "chosen" to be heterosexual instead, perhaps after trying the alternative. Otherwise, how could they speak with such assurance? Incidentally, I'm not gay (nor are many of my friends).

JEANETTE F. HUBER, Kinsale, Ireland.

Overhead Smash

Regarding "ATP Battles, but Few Casualties" (Sports, Nov. 21): As a tennis enthusiast, I found the article on the ATP championships in Frankfurt frivolous and annoying, as well as strangely insulting to one player, Petr Korda.

W. C. HAROP, Tel Aviv.

Making Monetary Sense

The European Community has shed many tears over its monetary crisis. But the writing was on the wall from the beginning. There are two monetary axioms one cannot transgress with impunity:

• Fixed exchange rates — substantially equivalent to a single common currency — are incompatible with sovereign national fiscal and monetary policies. Sooner or later inflation trends will diverge and the fixed exchange rates will no longer hold.

• Fixed exchange rates between currencies of sovereign states are incompatible with free capital movements. Since transferring capital abroad means drawing from the nation's reserves, and since the amount of capital that can be potentially transferred abroad is many times greater than reserves, a run on any overvalued currency that is not itself a reserve currency cannot be resisted for long.

A corollary to these axioms is that monetary union logically comes after — and not before — political union. PIETRO MANES, Milan.

At Sea, Safety for All

Regarding "French Divers Find Life Raft, but No Sign of Plane" (Nov. 26):

There are sailors and there are sailors. I wasn't brought up at the local yacht club. I went to a maritime college in Norway, sailed for 10 years and am qualified for an unlimited master mariner's certificate; I am a professional.

International treaties govern safe transit in the world's waterways. Among the laws that most influence the professional sailor's life at sea are those governing watch-keeping. Technology has drastically reduced the numbers serving on-board vessels, but safety must still be overseen by people. A particular person must always be on watch and be accountable. That means being awake, alert, in the right place to see that which is being watched for, and trained and equipped to identify and react to any contingency.

The routines for maintaining safe navigational watchkeeping on commercial and professional vessels are stringent. Breaking the rules can result in criminal prosecu-

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A Casualty of His Old War Flag

German Executive Steps Down Under Fire

Compiled by Our Staff From Dispatches

BONN — A German business executive has resigned after sparking fierce criticism for hoisting the German imperial war flag in his yard and stirring memories of industrial support for Hitler.

Karl Dersch, marketing director of Deutsche Aerospace, denied any affiliation with neo-Nazi groups, saying he was not aware of this association with the flag of Germany's former Imperial Navy.

Mr. Dersch called the flag a "favorite souvenir of sailors and members of the navy," saying he had received it 15 years ago as a gift, hung it on the mast and forgotten about it.

The flag, flown by the German Navy in World War I, and now widely used by German neo-Nazis at marches and rallies, shows a black crowned eagle, symbol of the 19th century German Reich, against a black iron cross.

The chairman of Deutsche Aerospace, Jürgen Schrempf, said in a statement late Tuesday that Mr. Dersch had informed him he would resign, saying it was in the best interests of both the aerospace group and its parent company, Germany's biggest industrial group, Daimler-Benz AG.

Mr. Schrempf said the director's resignation had been accepted, adding, "I respect the decision of my colleague, of whose fundamental democratic belief I am completely convinced."

Mr. Dersch had helped to organize a celebration of the 50th anniversary of Hitler's "wonder weapon," the V-2 rocket, in Peenemünde in October. The celebration was canceled after a storm of international protest.

There were these related developments as Germany struggled to cope with a surge in neo-Nazism:

- A young rightist radical, arrested in the arson deaths of a Turkish woman and two girls, attempted suicide Wednesday, the chief federal prosecutor's office said in Karlsruhe. Hans-Jürgen Förster, a spokesman for the federal prosecutor, said that Lars Christiansen, 19, who was arrested on Monday, had slashed a wrist, seriously injured himself, early Wednesday morning.
- In Copenhagen, the Israeli foreign minister, Shimon Peres, called on European countries to ban neo-Nazi groups and adopt new laws if necessary to combat far-right violence.

(Reuters, AP)



A young Somali, Ali Hassan Abdi, 22, wearing an American flag shirt, said Wednesday in Mogadishu that "I like the deployment of U.S. troops to protect relief supplies, but also to build a new Somalia."

CIA Warns Bush On Somali Mission

By Elaine Sciolino
New York Times Service

WASHINGTON — President George Bush made his proposal to send troops to Somalia on a short-term mission to deliver food and restore order despite the analysis of the CIA that prospects for the restoration of a stable Somali government were bleak, according to senior administration officials.

The officials said Robert M. Gates, the director of Central Intelligence, and his senior analysts agreed with the assessment of policymakers and military leaders in the administration that in its narrow definition, the military operation to distribute aid could be carried out quickly.

But senior administration officials said Mr. Gates and his analysts concluded that the anarchy in Somalia was so sweeping, and the warring factions so firmly entrenched, that the country would require long-term international involvement, such as a United Nations protectorate or even a trusteeship by which a country manages a territory on behalf of the United Nations until it is ready for self-government.

During recent briefings at the White House, including the National Security Council meeting last week at which Mr. Bush decided to propose the military plan to the United Nations, Mr. Gates has said that UN involvement would have to be long-term, according to officials outside intelligence circles familiar with the meeting.

Ever since Mr. Bush's plans to send U.S. troops to Somalia be-

came public, the administration has repeatedly said that it envisions no greater role for American troops than simply distributing aid. Senior officials said Tuesday that it was far too soon to talk about a long-term UN role, and that consideration of the options has only just begun.

"In contrast to the more concrete ideas on the initial stages, the long-term situation is still at the exploratory stage," a senior administration official said.

But the statements from this and other officials indicated that at least the issue had been discussed in detail in Mr. Bush's inner councils.

Mr. Gates's view, which officials said was shared by Brent Scowcroft, national security adviser, represents one side of the debate in the administration over the mandate of an expanded peacekeeping force in Somalia and that country's long-term future.

Acting Secretary of State Lawrence S. Eagleburger, in presenting the American plan to the United Nations secretary-general, Boutros Boutros Ghali, last week, said the United States envisioned a circumscribed UN period of peacekeeping and a speedy turning over of civil authority to the Somalis, senior officials said.

Mr. Eagleburger also made clear that the U.S. mission was simply to deliver humanitarian aid to Somalia, and that the administration had no intention of eventually running the country under a trusteeship arrangement.

OI: Neo-Nazis Rocking to Inflammatory 4/4 Beat

(Continued from page 1)

even genocide, the music and the bands that play it are blamed for attracting disillusioned youngsters from all levels of society to far-right political causes and inciting them to violence against foreigners.

The police in Britain, Germany, Hungary and elsewhere in Europe say youths often leave the concerts drunk or drugged and ready to attack the first foreigners they meet.

Originally the music was listened to mainly by skinheads, whose numbers are small, Eckart Werthebach, head of the domestic intelligence service estimated there are about 6,500 skinheads in Germany, some 4,500 of them classified as violent, out of a population of 80 million.

About 70 percent of those are under 20, and the youngest, known as "baby skins," are about 12. Almost all are still in school or have jobs. "They are not just dummies, or mentally disturbed," Mr. Werthebach said.

But the success of the Bohse Onkelz's latest recording indicates the groups are reaching a wider audience by tuning down their new output while not renouncing their previous work.

The lyrics are carefully phrased so that they do not violate Germany's anti-Nazi laws but make the meanings clear. Annual sales of Oi music are estimated to be in the tens of millions of dollars worldwide.

Oi music is derivative of punk with some heavy metal touches. It began in Britain in the mid-1970s, pioneered by a still-active band called Skrewdriver.

"It's Britain's one export success of the 1980s," said Tony Robson, a

researcher who follows the movement for Searchlight magazine in London. "It is music for people who believe the Third Reich was the high point of civilization."

The term "Oi music" plays on the English name for the Nazi-era leisure organization "Strength Through Joy," according to Mr. Robson. The first long-playing record of neo-Nazi rock was titled "Strength Through Oi."

"The quality of the music is truly dire," Mr. Robson said. "They've stripped rock-and-roll of all black or ethnic influences. Most of the bands can barely play their instruments. What's left is about the crudest rock music imaginable. But its purpose is to incite more than entertain."

"An inflammatory effect can certainly be determined," said Carlos Weber, a senior official in the Berlin state prosecutor's office.

Justice Minister Sabine Leutheusser-Schaaranberger announced that the rightist bands would be a target in the enforcement of Germany's new ban on neo-Nazi activities.

On Friday, the city of Darmstadt decided to ban two concerts by the Bohse Onkelz scheduled for mid-December.

The federal Inspection Office for Writings Endangering Youth has also banned three recordings by Storkraft. "They were banned for sale to youth because they are a call to battle to expel foreigners from our country," said Elke Monssen-Engberding, who heads the office. "They are directed against foreigners and advocate race-hatred."

Mr. Petrisch, the Storkraft singer, said on national television, "We play music for Germans who think

German." He said the band had nothing against what he called "strange" races and did not advocate violence. Mr. Petrisch, who writes the lyrics to the group's songs, said the band could not choose its fans, nor could it influence what they draw from his lyrics. "We aren't shouting 'siege hell,'" he said. "We can."

Little else has been done to curb the spread of Oi music in Germany, despite calls from parents, teachers and various local and international organizations.

Despite the protests, German authorities recently dropped an investigation into Rock-O-Rama Records, a Cologne-based company that is the world's largest producer of Oi music compact discs, records and tapes.

"The investigation has been concluded, because of lack of evidence," a spokesman for the Cologne prosecutor's office said.

The banning of three recordings is scant solace to groups that have been pressing Bonn to ban them all. For the past two years, the Anti-Defamation League of B'nai B'rith has pursued the matter from Chancellor Helmut Kohl's office to the municipal levels of German bureaucracy.

"It's astonishing to me that they can't seem to find the material with offensive content, when we can pick it up at shops here in the U.S. and it's all made in Germany," said Irwin Sussel, director of the league's fact-finding department. "The German authorities are certainly showing indifference to the worst kind of racism and bigotry."

Most of the big German department store chains and big music stores do not carry Oi music.

Japan Won't Send Force to Africa

Agence France-Press

TOKYO — Japan will not participate in sending military force to ensure the delivery of aid to starving people in Somalia, other than to say that Japan would not take part.

Japan enacted this year a bill allowing the dispatch of its troops to join UN peacekeeping activities.

But it has allowed the soldiers to engage only in nonmilitary tasks such as building bridges.

Mr. Kato declined to comment on Secretary-General Boutros Boutros Ghali's request to the UN Security Council on Monday to consider sending a UN-led

force to ensure the delivery of aid to starving people in Somalia, other than to say that Japan would not take part.

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ASPEN: What's a Hollywood Star to Do at Christmas?

(Continued from page 1)

Africa or hunger in the Third World or, in the 1980s, war in Central America.

The farther away the better. In

Hollywood, a political issue is embraced as long as one is not personally touched by it.

As one Hollywood producer said, "People who have real estate

in Aspen were just freaked out at Barbra."

She felt the community's chill quite quickly. Within days, the musician Don Henley, who has a home in Aspen, was spitting with anger. Michael Ovitz, the most powerful agent in town, who also has a home in Aspen, conveyed his annoyance to Ms. Streisand. By this week, the faxes from part-time Aspenites were coming in hot and heavy.

Frankfurt Daily Backs Ban On Incendiary Rock Lyrics

International Herald Tribune

FRANKFURT — The daily Frankfurter Allgemeine Zeitung on Tuesday cited a proposed ban on certain neo-Nazi songs as a way of telling misguided youths that their artistic license had been revoked.

"Prosecuting neo-Nazi groups as terrorist cells and the performance of skinhead music as a call to kill — rather than mere evidence of the existence of an exotic subculture — will give the right-wing cause no worry," the newspaper said in a front-page editorial.

But the newspaper also peppered its message with exasperation that the federal government had taken so long to act. Actions now being undertaken "are the result of a painful learning process, that lasted much too long," it said.

So far, the dispute has not affected plans for a big New Year's party at the base of Aspen Mountain, held by Marvin Davis, the oil billionaire. The super-rich are buying plane reservations for their bodyguards and cooks and servants. But Ms. Streisand, who has often gone to Aspen over the holidays, is passing up the opportunity this year.

"Barbra has no plans to go anywhere now," her spokesman said.

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SOMALIA: UN Nears an Accord

(Continued from page 1)

same time, the diplomats added, the resolution must be crafted to assure African governments and other Third World countries that the force is operating within the confines of the UN charter and is not a disguised form of big-power colonialism.

African governments say that, ideally, they would like to see the operation under the direct command of the United Nations.

Because the threat of continued mass starvation and bloodshed in Somalia is so acute, however, African diplomats privately concede that they have no choice other than to accept some kind of U.S.-led intervention.

"The key is that the resolution must not be seen as merely giving a blank check to the United States," said a diplomat from an African country on the Security Council.

UN sources said indications

were that the Africans would bow to the realities of the situation if the resolution was worded in a way that symbolically recognizes the plan as a collective effort of the world community.

The Bush administration has offered to provide up to 20,000 troops to neutralize the warring militias that have been thwarting UN attempts to get food and supplies to more than 2 million Somalis in need of help.

Rumblings in Congress

Representative John P. Murtha, Democrat of Pennsylvania, the chairman of the Appropriations Committee's defense subcommittee, criticized the U.S. plans for intervention. The Associated Press reported from Washington.

"It is not in our national interest," said the congressman, whose panel holds the purse strings over the military budget. "I don't think we have the resources."

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Italy Lit.	450,000	85,000	250,000
Luxembourg Lfr.	13,000	7,100	7,100
Netherlands Fl.	710	3,000	390
Norway Nkr.	3,200	3,800	1,800
Portugal Esc.	45,000	22,000	25,000
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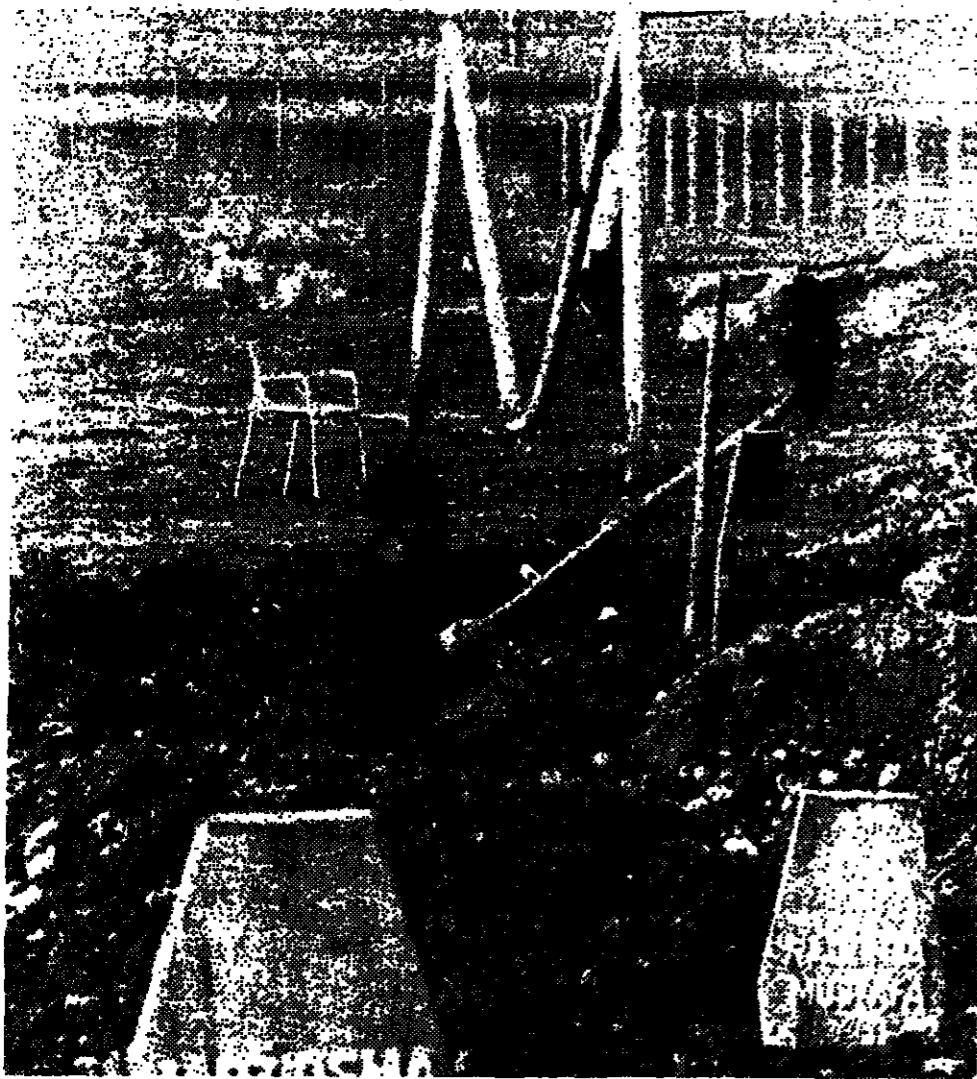
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A gravedigger in Sarajevo, all its cemeteries full, turning Wednesday to a soccer field.

Geneva Talks Set on Bosnia

Up to 30 Foreign Ministers to Attend Dec. 16

Compiled by Our Staff From Dispatches
GENEVA — Foreign ministers from up to 30 countries will meet in Geneva this month to discuss the war in Bosnia.
 The one-day session, on Dec. 16, was originally proposed by France as a full-scale ministerial meeting outside the permanent United Nations-European Community talks on the former Yugoslavia.
 But that idea was dropped after widespread diplomatic opposition. Officials said it would now be held as an expanded version of the steering committee of the Geneva conference, but at ministerial level.
 "The primary focus of this is going to be Bosnia-Herzegovina, because that's where the conflict is raging, where ethnic cleansing is still going on, and where people are suffering the rigors of winter," a conference spokesman said.
 UN officials said Wednesday that Sarajevo had come under its heaviest bombardment in weeks, and they reported intense combat near the airport.
 Government-controlled parts of Sarajevo were hit by at least 336 rounds of artillery, tank and mortar fire on Tuesday, according to Major Juan Villalon, a spokesman for the UN peacekeeping force. UN monitors counted 14 rounds hitting Serb positions.
 A total of 33 countries and organizations are expected to attend the meeting in Geneva, including a

representative from Islamic nations angered by the plight of Bosnia's Muslims.
 The agenda for the meeting, at which Cyrus R. Vance, the UN mediator, and Lord Owen, the EC mediator, will preside, has not been set. But diplomats said it was expected to concentrate on ways to curb what was increasingly seen as unacceptable aggression by the Serbs, who have swept through Muslim and Croat regions across Bosnia.
 A British official in London denied military options would be on the agenda in Geneva, although he did not rule out such action as a longer-term option.
 In Paris, the consultative assembly of the Western European Union recommended that the nine-nation defense grouping consider intervention in Bosnia.
 The assembly said plans should be studied "for a European intervention to relieve the Sarajevo region, liberate prison camps and put an end to the policy of occupation and ethnic cleansing pursued by Serbs in Bosnia-Herzegovina."
 But in Jidda, Saudi Arabia, Western envoys poured cold water on Muslim hopes of UN military intervention.
 "At this point I do not see that there is a chance of using military force," Mr. Vance said after a long meeting with foreign ministers of the 50-member Islamic Conference Organization. (Reuters, AP)

Gaidar Warns of Russian Descent to Third World

By Celestine Bohlen
 New York Times Service
MOSCOW — With his job on line and his program under attack, Acting Prime Minister Yegor T. Gaidar told a hostile legislature on Wednesday that Russia must stop inflation and runaway spending or else the face the fate of the underdeveloped Third World.
 Mr. Gaidar, whose free-market policies are the focus of the Congress of People's Deputies session, gave little ground to critics whom he accused of indulging in "the economics of populism" and of ignoring the dangers of an inflation rate that is now rising at 25 percent a month.
 "It is very easy to skid toward the road of underdevelopment," said Mr. Gaidar, a 36-year-old economist. "To achieve this, one doesn't even have to oppose reforms. One

simply has to slow down changes which can help us form a normal market infrastructure."
 Mr. Gaidar's defense of his own program was at times jeered by the deputies to the Congress, the country's highest legislative body, which is meeting to review the government and its policies.
 Judging from the reaction in the hallways, his speech did little to change the minds of those who think his economic policies have been ruinous for the country and exceedingly painful for its people.
 "Mr. Gaidar has shown us again that he is great orator and a great analyst, but that is not what is necessary to lead the government," said Yevgeni A. Ambartsumov, chairman of Russian Parliament's International Relations Committee.
 "There was not one word about

the situation of the ordinary citizen," he added. "Why did he not address our old people, who are now dependent on handouts from abroad?"
 During the course of the Congress, likely to continue for 10 days, President Boris N. Yeltsin is expected to seek confirmation for Mr. Gaidar's nomination as prime minister. According to a popular guessing game in the corridors of the Kremlin, Mr. Gaidar would get the support of the majority of the 1,040-odd member body only if he and Mr. Yeltsin are willing to make further concessions — either in their economic program, or in the cabinet.
 The changes in the government will hinge on the Congress's handling of a proposed law on the government, which is expected to be voted on this week by the stand-

ing parliament. But the law, already vetoed by Mr. Yeltsin because of the limits it would place on his ability to name his own government, requires changes in the Russian Constitution.
 The various players have been staking out their positions from the podium for the battles to come. On Tuesday, Ruslan I. Khasbulatov, the chairman of the parliament, delivered a stinging critique of the Gaidar government, blaming the policies for a "catastrophic decline in living standards."
 But Mr. Gaidar in turn mocked Mr. Khasbulatov's claim that the government was following an "American," or more free-market-oriented, model of development, compared to a Scandinavian model, preferred by the Congress, which favors a stronger role for the state sector.

Unless Russia achieves some form of financial stability and puts an end to political squabbling, Mr. Gaidar said, "then we will develop not according to the American or Swedish pattern but according to African or Latin American patterns."
 Mr. Gaidar admitted that he and his government had made mistakes in the last 11 months.
 "We failed to take into account the speed with which the crisis worsened," he said. A backlog of internal debts, and a cash crisis early last summer should have been foreseen, and perhaps averted, he said, and export and investment policies should have been better coordinated.
 But he rejected the idea that 1992 has been a year of economic failure for Russia. Last winter, he reminded the legislators, there was talk of complete collapse. "Nothing of this sort happened," he said, "there is no threat of hunger and cold. We have completed this very hard period of adaptation to the reforms without major social disasters."

On Guard Over Nationalism, Germany Approves EC Union

By Stephen Kinzer
 New York Times Service
BERLIN — Members of the German parliament, warning that increased racial violence here reflects the danger of resurgent nationalism, voted overwhelmingly Wednesday to approve the Treaty of European Union.
 Germany became the ninth nation to ratify the treaty, which was signed in the Dutch town of Maastricht a year ago. Portugal is expected to ratify it next week, leaving only Denmark and Britain still to debate their decision.
 "We need European union because individual states are no longer able to resolve the political, economic and social challenges we face," Foreign Minister Klaus Kinkel told a receptive but unenthusiastic parliament. "The era of exclusively national politics is over, even and especially in Europe. Only together do we have a future."
 Mr. Kinkel said Germany's strong vote for the treaty would be "a clear signal to the other member states that we take European unification seriously, and that we want no return to the bad old days of nationalism, struggles for hegemony and balance-of-power politics."
 Under the Maastricht treaty, the European Community aims to eliminate most economic and political barriers among member nations, adopt a single currency, and forge common policies on foreign affairs, defense and immigration.

The final decision, Prime Minister John Major is pressing for ratification in the face of strong dissent in his Conservative Party.
 The debate in Bonn on Wednesday showed that all of Germany's major political parties approve of the Maastricht process. Even many of those who voted for the treaty, however, also criticized it.
 Chancellor Helmut Kohl said he wished the treaty had been written "quite differently." The first opposition speaker, Heidi Marie Wetzorek-Zeul, described it as "very short on democracy."
 "We have lost our dream of Europe and gotten Maastricht instead," lamented Gerd Poppe, a former dissident in East Germany.
 All of these speakers, however, said that although they recognized flaws in the treaty, they approved of its underlying principles.
 "Someone who is against Maastricht is not necessarily against Europe," Mr. Poppe said. "But the opposite proposition, that anyone who favors Europe must favor Maastricht, is undoubtedly true."
 Many advocates of the treaty referred to German history, saying it had given Germans the responsibility of supporting all moves against nationalism and intolerance.
 "At a historic moment, one cannot say 'Not this way' or 'Not now,'" said Ginter Verhagen, a leader of the opposition Social Democratic Party. "This vote is about whether European union will fall in Germany, or because of Germany."
 The only party that opposed the treaty was the Democratic Socialists, successors of the Communists who ruled East Germany for more than 40 years. Hans Modrow, a former East German prime minister, said that many Europeans feared the treaty would "dismantle their democratic rights, worsen their social situation, and destroy their cultural identity."
 But Chancellor Kohl assured Germans that the adoption of a single European currency would not endanger the monetary stability they have enjoyed in recent decades as a result of the Bundesbank's anti-inflation policies.
 "Only those countries with the will and ability to adhere to policies of strict stability will be able to join the currency union," he said.

German Minister Wants Army Unit With the Dutch

Compiled by Our Staff From Dispatches
BONN — Defense Minister Volker Rühle wants to set up a joint German-Dutch army corps that would be directly under NATO command and independent of the French-German Eurocorps, German officials said Wednesday.
 The 40,000-man corps would comprise two German units and one Dutch unit, they said. Mr. Rühle has also suggested some naval and air cooperation, they said.
 The joint force will be completely "separate" from the seven-month-old Eurocorps, an official said. He said the proposed corps would be one of a number of "multinational structures" intended to replace NATO's Cold War structure, which had largely static forces deployed in Germany.

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 Centre de Congrès: 93 50 93 00
 Union des Commerçants et des Artisans de Monaco: 92 05 74 15
 Customs: Monaco's agreements with France are such that there are no customs formalities involved in entering the principality.
 Currency: \$1 equals 5.4 Monegasque or French francs.
 Neighborhoods: Monaco, a principality of 1.08 square miles (195 hectares), extends along the Mediterranean 9 miles (14 kilometers) east of Nice. Monaco Ville, or "the Rock," is the headland on which the old town is located, including the Palace, the Cathedral and the Oceanographic Museum. Just to the west is La Condamine, with its natural harbor. Beyond is Monte Carlo, famed for its casino and the site of the Congress Center. Fontvieille, east of Monaco Ville, is home to light industries and the Louis II Stadium.

Lausanne
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 Medical assistance: 144
 U.S. Consulate (Geneva): (022) 738 76 13
 Tourist Office: 617 1427
 Congress Center (Palais de Beaulieu): 643 2111
 Local Chamber of Commerce: 617 73 91
 Customs: Visitors may import items intended for personal use and other noncommercial items up to a value of 100 Swiss francs, or 50 Swiss francs for those travelers who are under the age of 17.
 Currency: \$1 equals 1.4 Swiss francs
 Neighborhoods: The second-largest city on Lake Geneva, Lausanne is the capital of the Vaud canton. Built on several hills, it rises more than 390 feet from the lake-side suburb of Ouchy, its port. The old town is largely a pedestrian sector, and features the 13th-century Cathédrale de Notre-Dame and the Château Saint-Maire, begun in the 14th century. The 17th-century Town Hall dominates La Palud square, where figures from Lausanne's history appear every hour on the clock. Near Ouchy are Vidy, with boat moorings, and a park and bird sanctuary.

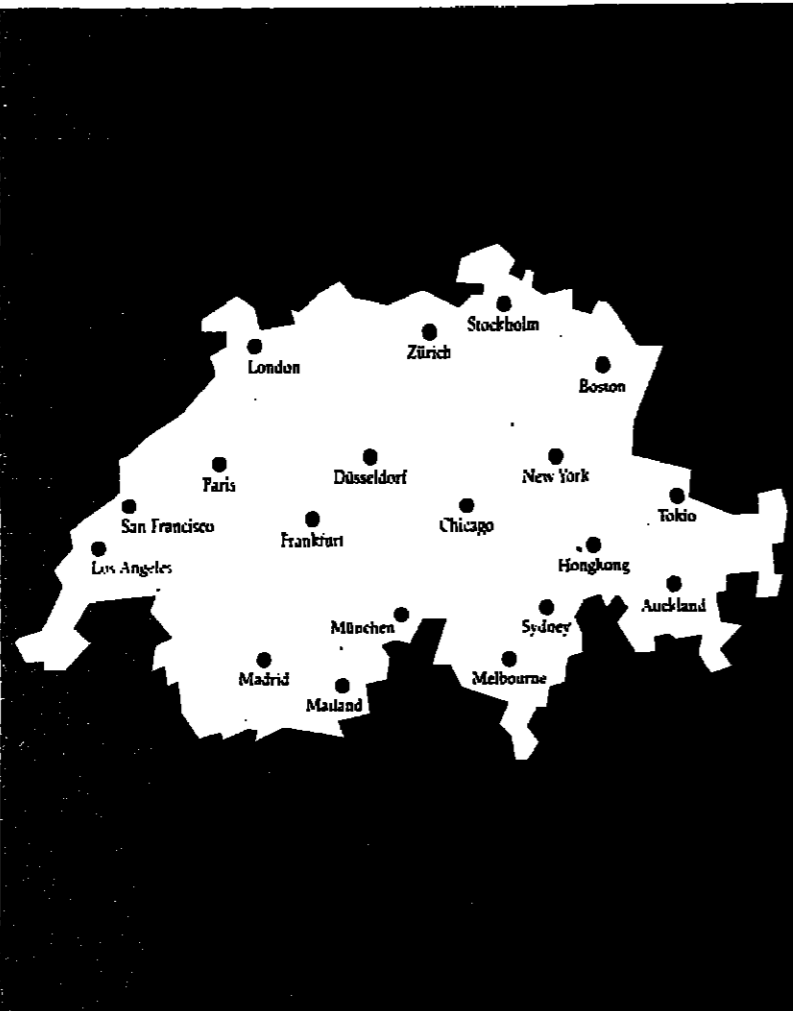
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EUROPEAN TOPICS

Welcome, Prague, To the Wild West

Crime has more than doubled in Prague and the Czech republic since Communist rule ended three years ago, the police say.

In many of Prague's baroque churches, visited by thousands of tourists annually, large signs warn about pickpockets. Foreign cars are a favorite target, largely of foreign gangs...

Around Europe

In Paris, the Lycée Voltaire became the capital's first high school to install a condom dispenser, five months after the Education Ministry encouraged public schools to do so.

The principal of a Versailles school where a distributor was installed earlier says the machine there gets few takers. Students, he told Le Figaro newspaper, don't think AIDS concerns them.

Since Sweden made it a crime in 1966 for parents to beat their children, similar laws have been passed by Finland, Denmark, Norway and Austria.



ACCESS TO THE ROYAL EAR — The Prince of Wales, pretending to whisper in the ear of a new life-size bronze bust of himself in London. With him was the work's sculptor, Rody Walker.

British public restrooms get high praise in a letter to the editor of the Frankfurter Allgemeine Zeitung. Not only are they invariably clean, writes Gisela Schwindling-Manderscheid, but they are free.

Signs of greener times: Lichen is returning to the trees of Paris, to the joy of environmentalists. Lichen plants essentially are composed of a fungus and an alga living in a symbiotic relationship.

of using on-board power for instruments, air-conditioning and lighting. The companies will save money, the airport will make a profit on electricity fees and pollution will be reduced.

Radio Vatican, breaking a long-time taboo, plans to carry commentary for the first time. But only "cultural" advertisements will be allowed — plugs for medicines, luxury goods and weaponry are strictly forbidden.

Brian Knowlton

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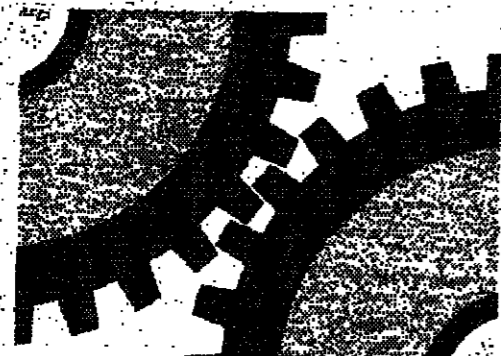
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JAPAN

Investments / A State of Flux

Opportunities Blossom For Foreign Investors

Japan's currently troubled economy has created the most amenable investment atmosphere for foreigners in two decades, according to mergers and acquisitions experts.

At no time in recent years have investment trends been in such a great state of flux, say market analysts, who note that the flow of long-term capital in and out of Japan appears to have leveled off.

Watchdogs in the representative offices of the American Chamber of Commerce and the European Business Community in Tokyo confirm that as Japanese businesses begin

prices and the low level of private-sector investment. These have adversely affected business confidence and consumer spending. As long as consumers retain a pessimistic outlook, it is doubtful whether increased government spending will quickly give rise to increased domestic demand. Large increases in imports are not to be expected soon.

Concerning exports, the ITOCHU Corporation spokesman adds, "The trends are toward higher-value products and a steady appreciation of the yen. Export earnings will probably continue to grow at about the same rate as last year. In short, we foresee the trade imbalance persisting through 1993."

The value of Tokyo stock exchange stocks fell over 60 percent between late 1989 and late 1992, and domestic sales have diminished this year as inventories have swelled, forcing investment cutbacks and reorganizations among companies of all sorts, including banks and brokerages.

Slamming the brakes still further on Japanese corporate investment, even for much-needed modernization of plants and equipment, is a resolute curtailment of lending by banks struggling to meet the Bank of International Settlements' (BIS) 8 percent capital adequacy requirement, which goes into effect in March. Popular wisdom holds that if the Nikkei average remains around 15,000, half of the 11 so-called City Banks — some of the world's largest financial institutions — will miss the deadline.

Already smarting from their own stock market losses, Japan's 21 largest banks are saddled with some 8 trillion yen in nonperforming loans, according to Ministry of Finance estimates. And the government looks unlikely to subsidize the liquidation of real estate held as collateral, especially

Continued on Page 10



Tracking the course of a fast-changing economy proves a challenge.

Finance / Surviving the Slump

Barriers Lowered Between Banks, Securities Firms

Although some brokers remain bullish, most believe it is unlikely that Japan's stock markets will improve dramatically in the next 12 months. This will create advantages for foreign investors who can buy into companies while prices are low, and problems for listed companies.

In a series of convulsions, the Tokyo Stock Exchange's (TSE's) Tokyo Price Index, known as TOPIX, plummeted 62 percent from a high of 2,884.80 points in December 1989 to a low of 1,102.50 this August. The oft-quoted Nikkei average of 225 selected issues fell a similar 64 percent from 38,957.44 to 14,194.40 over the same period.

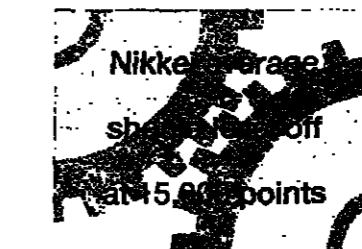
Many brokers believe the Nikkei average will level off at around 15,000 this spring and remain there through the year. Five large foreign firms — General Motors Corp., Avon Products Inc. and FPL of the United States, Philips of the Netherlands and News Corp. of Australia — recently asked to be delisted from the TSE, saying they consider the Tokyo market to be unprofitable.

Japan has been wracked by a whole series of economic and political problems, not all of which it can control. In any case, none of the current market depressants are likely to go away soon, even though companies may well regain their footing as inventories shrink and domestic consumption resumes its growth.

The government announced in August an 11-point stimulus package that it hopes will generate 10.7 trillion yen (\$86 billion) in economic activity. In particular, the plan seeks to help banks by facilitating the sale of land held as collateral on bad debts, and to revitalize the securities market by easing regulations, allowing firms to buy their own stock and increasing the amount of funds available through the post office's gigantic insurance and savings programs.

TSE and Finance Ministry officials believe stock prices will enjoy at least a moderate rebound in 1993 as the Keynesian policies take hold. But a general recession-driven malaise has prevented the stimulus package from having any immediate effect on either the markets or the economy as a whole.

To restore some confidence in the securities market, the government established this summer a Securities and Exchange Surveillance Commission. Toshihiro Mizuhara, the commission's chairman, recently met with



U.S. SEC Chairman Richard Breeden for advice. Despite criticism that the commission is organizationally linked to the Finance Ministry, its ostensible autonomy is widely praised by securities specialists as vital to restoring investor confidence.

To open more pastures for investors, the government has steadily removed most of the barriers between the banking and securities industries. "Internationalization or liberalization of the finance field is necessary in order to match customer needs," one Ministry of Finance official explains.

The Diet amended in July the Securities and Exchange Law's Article 65 to let banks establish securities

Continued on Page 11

emphasizing profits over market share, they are shifting from large-scale purchases to smaller acquisitions that fit into more streamlined business strategies. The main reason behind this contraction is simple: Japan's economy is currently so weak that many previously successful firms are having trouble even meeting operating expenses.

The government's 10.7 trillion yen (\$86 billion) "Economic Stimulus Package" is geared toward increasing domestic demand rather than exports and eventually reducing Japan's massive trade surplus. In practice, however, according to a spokesman for the ITOCHU Corporation, "a number of problems remain unresolved, particularly the collapse of asset

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Investments / A State of Flux

Opportunities for Foreign Investors

Continued from Page 9

ly if land prices remain soft. The tight money supply has not only hurt Japanese investment, but is also reportedly affecting foreign economies and their ability to invest. The BIS earlier this year linked a \$40.5 billion decline in interbank fund transfers to moves by Japanese banks to pull back capital.

Generating investment capital through new stock issues is not only inefficient, thanks to low share prices and investor timidity, but also logistically almost impossible amid a nationwide, MOF-directed clampdown on new listings and secondary market activity.

Even as Japanese firms cut back on investments in such nonperforming markets as North and South

America, Europe and some parts of the Middle East, many companies report branching into the rapidly expanding economies of Asia, including Vietnam, Singapore, Thailand, Hong Kong, South Korea, Indonesia, Taiwan and southern China.

And what is bad for Japanese companies in general is proving to be a boon for foreigners looking to get their foot in the door, according to Tom Cappiello, the Arthur Andersen partner responsible for corporate finance consulting in Japan. He says that many Japanese companies are being forced to sell off assets, including stocks and real estate, and are increasingly willing to entertain the possibility of investment from abroad. Mr. Cappiello points out that many over-

seas companies have opinions about Japan that are several years out of date and may not realize the investment opportunities until it is too late.

The time to seek out "strategic partnerships" is now, about six months before the Nikkei average could bottom out, according to some analysts, at between 13,000 and 14,000, Mr. Cappiello believes, adding: "Investment opportunities exist not only here, but also abroad, where Japanese firms are liquidating assets."

A recent report by Yamachi Securities found that during the first half of 1992 alone there were 18 mergers with or acquisitions of Japanese companies by foreign entities, twice the total for all of 1991 and in stark contrast to the

15 to 18 takeovers registered annually since 1988. Some M&A specialists speculate that 1993 will see some 40 to 50 such mergers.

Foreigners have long been drawn to firms that offer distribution channels or production bases in Japan, but are now said to be eyeing hard-hit manufacturing firms, including pharmaceuticals, chemical and electronics makers. Most recently, Asian firms have expressed strong interest in Japanese real estate, brokerage sources say.

But despite the desirability for Japan of foreign investment now, the long-awaited M&A binge may well not come to fruition while stock markets here remain volatile, some analysts argue. David Bottriff

Trade / Coping With Imbalance

Auto Sector Key to Reducing Surplus

The Japanese government is attempting to boost domestic demand in order to increase imports, thereby shrinking its massive trade surplus. But the imbalance is expected to persist through 1993 at least.

When U.S. President George Bush led an entourage of top American auto executives on a visit to Tokyo in January, he was described by the Japanese media as acting more like a car salesman than a head of state. After several years of witnessing a steady decline in its massive trade imbalance with Japan, the Americans were once again watching their deficit reach record proportions. And, as always, when you are talking about the trade imbalance between Japan and the United States, you are talking mainly about automobiles and auto parts.

The auto sector makes up some 75 percent of Japan's trade surplus with the United States and 30 percent of its surplus with Europe. Due largely to the recession that has choked off consumer spending everywhere, Japan's overall trade surplus was \$88.3 billion in 1991 and analysts predict that the figure may reach \$110 to \$129 billion by year's end.

The recession has put on hold the hard-won progress made in a number of trade sectors that had provoked contention, including semiconductors. In August, Tokyo renewed its pledge to help foreign chip makers attain a 20 percent share of the Japanese market by the end of 1992. Although the figure is now nearly 16 percent, few industry executives here believe the target can be reached.

There is more optimism among foreign auto-parts makers. In the January talks with the Americans, Prime Minister Kiichi Miyazawa signed the Tokyo Declaration urging Japanese manufacturers to voluntarily increase targets of automobile imports and auto-parts procurements.

During Mr. Bush's visit, Tokyo announced a package of measures to improve U.S. access to the Japanese auto, glass, paper and computer markets. The highlight of the package was Japan's purchase targets of \$19 billion for U.S. auto parts in fiscal 1994 and another target of importing nearly 20,000 U.S.-made cars within the next few years.

Specifically, Toyota Motor Corp. announced it would nearly double its foreign parts and materials procurement to \$4.6 billion by 1994. The company has also agreed to extend technical support to U.S. parts makers. It has even

agreed to market the cars of its nemesis, General Motors, in Japan.

Honda Motor Co. is leading the pack in importing foreign-made Japanese cars. Imports of such cars last year from the United States increased more than 20.8 percent over the previous year, according to the carmaker. "This year, we estimate we will import at least 20,000 U.S.-made Honda cars, about a 30 percent increase over 1991," says Honda spokesperson Shin Tanaka.

Nissan Motor Co. says it plans to boost its imports and U.S. purchases to \$3.7 billion by 1994. Other automakers have set similar targets. "From an auto-parts perspective, things have been very positive," says C.E. Peterson, director of the Japan office of the U.S. Automotive Parts Industry.

"Our work load has tripled. A multitude of Japanese companies are conducting supply searches for U.S. parts suppliers. There has definitely been progress since the Bush-Miyazawa talks," he adds.

Not to be outdone, the Europeans came knocking at Japan's door only days after Bush left. One automotive official astonished the Japanese by freely admitting there were few barriers left to the sale of foreign cars in Japan, but added that Japan's past protectionism had created "psychological barriers" among consumers. Thus, he said, Tokyo needed to adopt an "affirmative action" program to boost foreign automakers.

Japan accounts for over 11 percent of the EC's car market. In the first half of 1992, the EC's car-sector trade deficit with Japan grew to \$5.65 billion. In response, Japanese manufacturers have since announced cuts in car exports and plan to expand reimports of Japanese cars manufactured in the United States and the EC.

But the current downturn in Japan's domestic auto market, which saw a 14 percent decline in sales in October and is expected to worsen throughout the rest of fiscal 1992, is likely to further dampen foreign imports.

Earlier this year, some analysts predicted that a rebound in the Japanese economy would restore consumer spending and help level off the trade deficit. Now, the feeling is that the recession is bound to linger until at least the spring of next year, and the trade surplus to linger a lot longer than that.

Michelle Magee



President George Bush in Tokyo last January promoting American auto exports. Will President-elect Bill Clinton have any more luck?

Securities / Trying to Regain Economic Footing

Over-the-Counter Markets: Some Healthy

Once an exciting and rapidly expanding bourse, Japan's over-the-counter market is looking sluggish now, but some relief could come in 1993 through post-performance by non-manufacturing firms.

In the late 1980s, the Securities Dealers Association of Japan set out to install a state-of-the-art automated trading system called Japan Association of Securities Dealers Automated Quotations, or JAS-

DAQ. When the 15 billion yen (\$120 million) system went into action on Oct. 28, 1991, bourse gurus expected the number of listed companies to rise from about 300 to over 1,000 during the following five years.

But between 1991 and 1992, the number of companies qualifying to join JASDAQ fell from 95 to only 15, and no major improvement is expected to occur soon. There are currently 437 firms listed on JASDAQ and only 500 to 600 issues will be on the market in 1996, according to Koichi Hirata, head of the Conduct Division at the Japan Securities Dealers Association, which monitors JASDAQ.

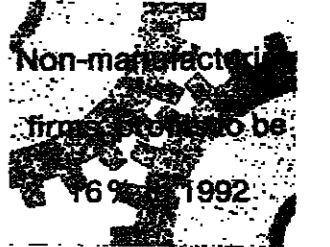
The Ministry of Finance asked the association two years ago to limit the number of companies joining JASDAQ, blaming the stock price collapse in part on excessive secondary market issues.

Meanwhile, both share volume and trading values have fallen. For example, some 1,066 million shares were traded in 1991 at a value of 6.04 trillion yen (\$48.3 billion). But through October, less than 353.7 million shares changed hands for just 903 billion yen (\$7.2 billion), according to the dealers' association.

And in an additional blow, Moody's Investors Service on Nov. 25 slashed the debt ratings of Japan's Big Four brokerages — the securities companies Nomura, Daiwa, Nikko and Yamachi — citing their failure to take adequate cost-cutting measures to counter a slump in commissions.

All this is occurring as

the number of firms looking to go public on JASDAQ has increased, due largely to a cutback in bank lending and a growing need for operating capital. Particularly interested in CTC listing are venture-type services and tertiary industries eager to improve credibility, secure talented workers and diversify their means of capital financing, analysts say. This trend is expected to continue as non-manu-



facturing firms replace heavy industry as the backbone of Japan's economy.

A recent Kantaku Research Institute survey shows that pretax profits among non-manufacturing JASDAQ companies will increase 16 percent in 1992, compared to net losses among manufacturers, especially chemical and electronics makers. Overall, pretax profits among JASDAQ member companies should surpass 7 percent, down from earlier estimates of 9 percent, the survey says.

In addition, JASDAQ prices as a whole should improve in the second or third quarter of 1993, after major companies listed on the Tokyo and Osaka exchanges dump their inventories and regain their economic footing. D.B.

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ADVERTISING SECTION

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JAPAN

Tourism / The Boom

More Travel Abroad, More Fun At Home

Despite the economic slump, Japan's tourism industry remains robust. Millions of dollars are reportedly being poured into this booming industry to meet the growing demand for travel-related services and facilities both here and abroad.

More people are visiting here, especially to find business and job opportunities, [and at the same time] the Japanese are traveling abroad in burgeoning numbers. The government, recognizing that travel is a good way to improve both cultural and trade relations, has done much to help the industry, says Motosha Tachikawa of the Japan Travel Bureau.

To help stimulate the economy and improve living standards, the Labor Ministry has directed big business to institute 40-hour work weeks and insist that employees take more vaca-



Not all work, more play. Leisure travel by the Japanese is increasing.

known for its high-profile role in hosting conferences, continues to expand and improve its facilities, according to Paul Murakami, public relations manager. Tokyo's 883-room Hotel Okura near the center of government and the Roppongi entertainment district has upgraded its 180-square-meter (1,937-square-foot) business center, and every room is to have a facsimile machine by the end of this year.

Another accommodations leader, the Takanawa Prince Hotel, has reportedly invested 20 billion yen (\$153.6 million) in its new state-of-the-art in-house convention center. The 416-room hotel and the adjacent 946-room New Takanawa Prince now dominate Tokyo's Shinjuku district.

The Miyako Chain recently opened its Koshien Miyako Hotel in Hyogo Prefecture's Nishinomiya, giving it a total of 16 hotels around the world. On July 30 this year, a new extension to the Tennoji Miyako Hotel in Osaka was completed. The Kyoto Miyako Hotel's 11 story East Wing extension was completed this past October.

But not all visitors to Japan come to do business. The Japan National Tourist Organization recently published a brochure called "Your Traveling Companion" to give leisure tourists inside information on how to save money while having a good time, says Toshihiro Sawata of the Japan National Tourist Organization, which has 16 branches worldwide. He points out that the new wave of foreign leisure tourists want to see Japan on their own and are not especially interested in luxurious Western-style hotels. "They are looking for something different," he says.

Among Japan's attractions for tourists are the many specialized fairs held each year, such as the International Contemporary Art Fair (NICAF) to be held in Yokohama from March 18 to 23, 1993. The event will boast about 100 exhibitors and is expected to attract some 70,000 visitors. Another draw is Japan's many theme parks. A massive water park is now being built

in Kobe, and Tokyo's Disneyland continues to attract large crowds.

Affordable package tours to Japan are widely available, simplifying travel for those who do not speak Japanese. The Japan National Tourist Organization and the Japan Travel Bureau have developed a variety of such tours to suit travelers' varied interests. D.B.

Finance / Surviving the Slump

Barriers Lowered

Continued from Page 9

houses as wholly owned subsidiaries and to permit brokers to set up banks. Although the bank subsidiaries will be largely limited to underwriting and will not participate in the equity-brokerage business, sources at such long-term banks as Mitsubishi, Fuji and Dai-ichi think the move will greatly help them stabilize their financial situation.

Liberalization started in May 1988 when the Diet revised the Securities and Exchange Law and passed the Financial Futures Trading Bill to permit stock-price-index futures trading. And some special futures-market participants, including banks, were recently permitted to buy and sell TOPIX futures and government bond contracts as part of their gradual introduction to the new system.

The MOF has also agreed to let banks set up a financial futures market for foreign currencies and short-term interest rates, and will let securities firms and banks broker

international futures and options for customers after customer protection rules are developed, according to Arthur Andersen & Co.

Although the move toward an open financial industry is often attributed to outside pressure, non-Japanese have been largely left out of the debate. Further, many foreign financial firms report being comfortable with the niches they have created and either cannot afford, or are not interested in, branching out in Japan. But when the subject of breaking down the wall between the banking and securities industries began to be discussed in the mid-1980s, and even when the first scenarios were made public in early 1990, banks and brokers had sufficient capital to expand business operations. That is no longer the case. Because deregulation comes amid a capital crunch and a bearish securities market, a British-style "universal" financial industry is not likely to be created anytime soon. D.B.

Construction / Barriers Falling?

U.S. Firms Have Toehold In Public Works Projects

The Americans have finally been let in the door of Japan's exclusive public works market, but are only being offered a very limited number of what one industry analyst terms the "choice scraps" from the \$231 billion in contracts being served up by the government this year.

Still, these "scraps" are nothing to balk at. In the last three years, American firms have won some \$622 million worth of construction work in Japan under the "special measures" agreed to in bilateral government talks in 1988 to open Japan's market.

The result of the talks was the 1988 signing of the U.S.-Japan Major Projects Agreement, in which foreign firms were guaranteed equal access to 17 public works projects. Two years later, 17 more projects were added to the list, bringing the total estimated worth to more than \$20 billion, according to the Commerce Department.

U.S. firms such as Overseas Bechtel Inc., Schal Associates and the Austin Company have been the main foreign recipients of the contracts. Last year, Bechtel was awarded a contract to build the south wing of the passenger terminal of the \$1 billion Kansai International Airport, located on a man-made island in Osaka Bay.

Schal Associates started work this November on its eighth Japanese project, a 56-story office tower opposite the new Kansai airport, worth a total of \$439 million. Prior to the pact, "structural impediments" — most notoriously, dango, or the pre-bid system open only to Japanese contractors — were a major source of irritation for foreign firms.

But "special measures" were applied to the 34 major projects, which allowed for expedited licensing procedures for U.S. firms, more time to tender bids and the publishing of tender notices for projects open to foreign firms. These measures have helped U.S. firms win contracts for non-specified projects as well. Design firms, some of which were already making their mark in Japan prior to 1988, were also given a boost. But not all in the industry are satisfied.

"The disparity between the amount of work Japanese firms have in the U.S. and what U.S. firms have had in Japan is quite dramatic," says Jane Dudley, a consultant for the National Constructors Association in Washington. In 1990, for instance, Japanese companies won \$2.5 billion worth of contracts in the U.S. — 25 times the amount U.S. companies were award-

ed in Japan that year. "U.S. firms have been allowed a toehold in the market; it's a step in the right direction, but nobody is thrilled," Ms. Dudley says.

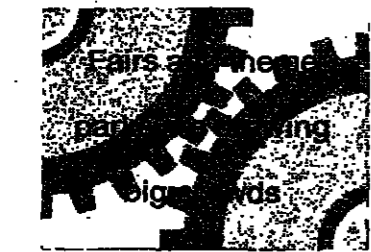
Both countries are scheduled to be back at the negotiations table this month to renew the pact, and U.S. negotiators will "call for more projects to be included in the agreement," according to Ms. Dudley. But Japanese officials may not be able to comply.

Japan's construction market has "gone from the most explosive growth period in 30 years to a dismal outlook," says Peter Sanborn, a construction industry analyst for Jardine Fleming Securities in Tokyo. He adds, "The choice scraps that were offered tantalized foreign firms into thinking there might be bigger meals in the future, but the fact is that there will be fewer meals to be had on the table." M.M.

Saving The Bottom Line

Olympus Optical Co.'s new automatic-focus, single-lens-reflex IS-3000 camera, an even more sophisticated camera than Olympus's successful IS-1000, has a 35 mm to 180 mm 5x zoom lens, a powerful built-in GN28 flash tube and a special Extraordinary Dispersion (ED) lens that guarantees superior definition and contrast even at great distances. Various modes can be selected to ensure ideal exposure in nearly any situation, and the camera weighs only 960 grams (33.8 ounces).

In a fiscal year plagued by recession, Japan's top commercial banks reported on Nov. 27 a decline in profits for the first half of the year. Saving the banks' bottom lines was a fall in Japan's short-term interest rates, which reduced the costs of funds and boosted profit margins on loans to clients. Aggregate operating profits rose 47 percent to 1,295 trillion yen (\$10.4 billion), giving some hope for a respite in 1993.



tions. "Now, thanks to shorter working hours, we have much more time for leisure, and questionnaires on what the Japanese want to do with their free time indicate that more than 90 percent want to travel," Mr. Tachikawa says, adding that approximately 12 million Japanese will travel abroad in 1992.

Travel within Japan is also up. To accommodate the trend, savvy firms are investing in new service-oriented facilities ranging from hotels and convention centers to theme parks and golf courses. One of the most glittering additions to Japan's hotel scene will be the 30-floor, 304-room Westin Osaka. The grand opening of the hotel, near Osaka's new international airport, will be June 16. The Westin hotel chain, owned by the Japanese construction firm Aoki Urban Development Corp., will open another lavish hotel in Tokyo at the end of 1993. "The prestigious Hotel Okura chain,

Capital / Heading Home to Tokyo?

The Fallout of the Credit Crunch

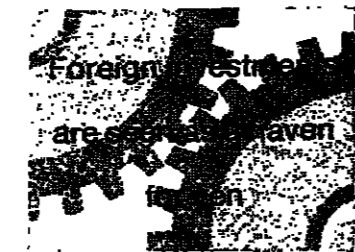
Just how hard hit are regions that once relied on Japan for a steady flow of cheap capital? While overseas markets — namely the United States and Southeast Asia — have been hurt by the credit crunch, analysts believe the fallout is not nearly as bad as had been expected.

In the United States, prospects initially looked grim as capital headed home to Tokyo. In fact, many analysts blamed the drop in available foreign credit for triggering and continuing the current U.S. recession. But some market watchers claim that the supply and demand for capital in the United States has remained at a steady level despite Japan's withdrawal, for two reasons: cost-cutting U.S. firms are shying away from borrowing, and EC banks have moved in to fill the gap left by Japanese banks.

Feeling the crunch, however, are the former darlings of Japanese investment: bond-issuing U.S. municipalities. In the 1980s, when Japanese banks were undercutting their competition, municipalities could count on the banks to issue cheap letters of credit. But with the focus now on profits, Japanese banks are charging rates on a par with their U.S. rivals. "Even so, the effect on U.S. finan-

cial markets is minimal," says Toshiaki Takahashi, an executive with the Americas Division of the Japan External Trade Organization (JETRO). "The U.S. real-estate market is another story," he adds.

In the 1980s, Japanese banks focused heavily on U.S. commercial real-estate loans, handling over one-



third of such transactions in California alone. But as profit became the operative word, Japanese banks started foregoing their concentration on market share and began charging rates equal to those of their competitors.

Like their Western counterparts, the growing markets of Southeast Asia are also feeling the pinch. But on the upside, many Japanese investors are

still aggressively eyeing the Southeast Asian region. Whereas Japanese banks and other financial institutions have called home employees or closed unprofitable branches in Europe, North America and parts of the Middle East, they continue to open offices in Southeast Asia.

In addition, spurred on by the possibility of greater financial returns, several joint ventures involving Japanese partners that had already begun in the region will remain on track, with investors focusing particular attention on Vietnam and China. Despite the gloom and doom that the media have cited regarding the Japanese bank retrenchment, some experts believe there is a change on the horizon for cash-hungry foreigners. Fed up with low domestic interest rates and a poorly performing stock exchange, many Japanese are looking at foreign investments as safe havens for their hard-earned yen.

While this phenomenon doesn't bode well for domestic markets, many analysts still expect a turnaround in the Japanese economy by next summer or autumn. "With any luck," according to JETRO's Mr. Takahashi, "overseas lending will pick up, too." Robert Carroll

ITochu Corporation advertisement featuring a globe and a list of international office locations. The globe shows the company's global reach, and the list includes cities like Tokyo, Osaka, New York, London, and many others across five continents.

Takanawa Prince Hotel advertisement. It features a large image of the hotel building and text describing its amenities, including a nostalgic garden, central business district location, and complete executive services. Contact information for various international locations is provided.

ITochu Corporation advertisement titled "HAVE YOU SEEN OUR NEW OFFICE?". It discusses the company's commitment to the global good and its philosophy of work. It mentions that the company is active in almost 150 locations worldwide and is involved in satellite communications and ore refining. The ad concludes with the company name and logo.

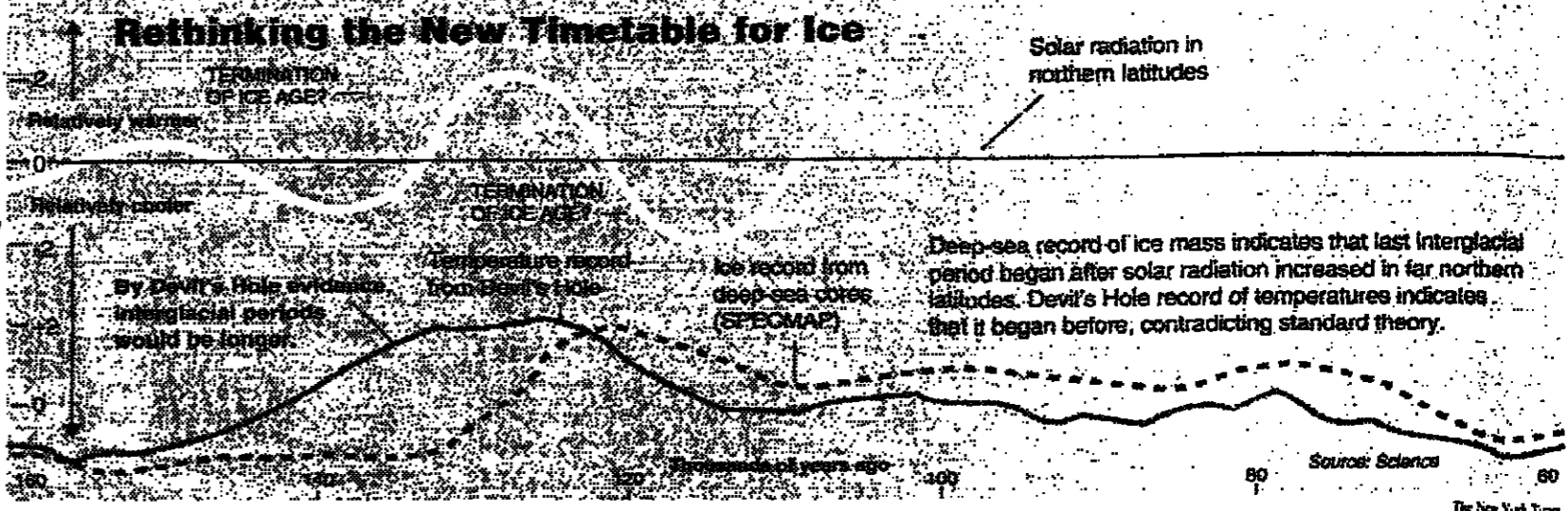
HEALTH / SCIENCE

Resetting Ice Age Clock

By William K. Stevens
New York Times Service

NEW YORK — Scientists' understanding of what causes the Earth's great ice ages, has been confronted by a major challenge: a record of ancient temperatures that seems directly contradictory to established theory. The record comes from a deep crack in the Earth in Nevada, called Devils Hole, and consists of a core drilled from layers of minerals deposited on the walls of the crack over the last 560,000 years. A pattern of isotopes in the Devils Hole core yields both the date each deposit was laid down and the temperature at the time. Scientists analyzing the record found to their great surprise that the succession of cold periods differed significantly from the accepted chronology of ice ages, as reconstructed from records in sediments on the sea floor. The good news from Devils Hole, it turns out, is that the periods between ice ages last for about 20,000 years, not 10,000 years as now believed. This would mean that the Earth's present interglacial period, in which civilization developed, is only about midway through its course rather than approaching its end. When the ice does return, it will crush cities and wipe out human habitation in northern climes. But is the Devils Hole record misleading? It is just one record, and the prevailing theory rests on many lines of evidence. Glaciologists believe the comings and goings of the great continental glaciers are governed by a celestial dance of the Earth, to a grand rhythm over thousands of millennia, that exposes the planet to changing amounts of sunlight as the parameters of its orbit, tilt and rotation vary in periodic cycles. This belief is known as the Milankovitch theory, after the Serbian mathematician and astronomer who first proposed it. The timing of the ice ages, as predicted by astronomers from the Milankovitch theory and confirmed by ancient temperatures from sea floor sediments, is directly contradicted by the Devils Hole core, say scientists led by Dr. Isaac J. Winograd of the U.S. Geological Survey, whose team gouged the core from the rock face. Since the findings were published in the journal Science in October, they have caused something of an uproar among the keepers of the conventional wisdom. Not least, this is because the chronological record from Devils Hole is acknowledged by some Milankovitch adherents to be the best yet obtained, technically speaking. The furor focuses mostly on interpretation. In a flurry of faxes and telephone calls, leading glaciolo-

gists are anxiously comparing notes and thoughts in an attempt to shoot down the interpretation being placed on the findings by the Winograd group—or to come to terms with it. "There is a genuine controversy here, and a jolly interesting one," said Dr. Nicholas Shackleton of Cambridge University in England. Dr. Shackleton, Dr. James D. Hays of Columbia University's Lamont-Doherty Geological Observatory and Dr. John Imbrie of Brown University are the three glaciologists who in 1976 published a paper that in most people's view clinched the case for the Milankovitch theory. The theory holds that the timing of glacial cycles is controlled by periodic wobbles in the Earth's rotation, much as a spinning top wobbles when it slows down, combined with other periodic changes in the tilt of the planet's axis and the shape of its orbit. These changes, occurring over many millennia, alter the angles and distances from which the sun's energy strikes the Earth. In periods when less sunlight shines on far northern latitudes, according to the theory, less snow melts in the summer. Millennium after millennium, the snow is compressed into ice from which the continental sheets are built. When the cycle comes around again and more sunlight falls in the North, the sheets begin to melt. "We never expected our data would end up challenging an existing theory," says Dr. Winograd. But he now believes that nonperiodic interactions in the Earth's climate system are probably the chief force behind the onset and retreat of the ice ages. The key to the puzzle, in his view, is more likely to be found in the constantly churning interplay of heat and moisture among the atmosphere, the oceans and the ice sheets than in the heavens. SHOULD the Winograd interpretation ultimately stand up, it would force paleoclimatologists to reconsider a number of aspects of the interglacial period in which we now live. Some scientists, noting that the period is nearing its end, have raised the prospect that global warming brought about by deforestation and the burning of fossil fuels might prolong it. Now they may have to confront another possibility: that the natural interglacial period will last another 10,000 years and that global warming induced by humans will be superimposed on it. But the jury is still out on the Winograd findings, says Dr. Imbrie: "We have had so little experience with dating climatic events in environments like those in this Nevada cavern that one must be cautious in accepting this dating at face value."



Tales of World Climate Told a Ring at a Time

By Natalie Angier
New York Times Service

TUCSON, Arizona — The Laboratory of Tree Ring Research at the University of Arizona, a sprawling warren of dim rooms wedged underneath the campus football stadium, harbors about one million specimens of wood. The samples range in size from fragments the size of a baby's finger to enormous slabs sliced from the stumps of giant sequoias around which you could comfortably serve a dinner party of 12. And every one of those wood specimens, no matter how bland its grain or how charred and pitted its surface, tells an astonishing story. Some tell tales of searing infernos that swept for tens of thousands of acres across the margins of the Great Basin, flames leaping from one parched slope to the next like shining panthers pouncing on fresh prey. Other specimens speak of insect plagues almost biblical in their brutality, as swarms of spruce budworms descended on proud stands of Douglas fir and stripped their foliage to near-death nakedness. The wood tells of volcanic eruptions tossing kilotons of ash and sulfur high into the stratosphere, of flash floods and pitiless frosts, of ancient droughts in what is now the Western United States that lasted for centuries and surpassed in extremity anything modern Californians, despite all they know about water rationing, can even begin to fathom. The narratives are written in the rune-like script of tree rings, and the scientists at the Arizona laboratory are making great progress in deciphering their meaning. The scientists, called dendrochro-



Dr. Thomas W. Swetnam with a section of a 2,000-year-old giant sequoia.

Through analyzing tree rings, the Arizona researchers have concluded that they have yet to see the first fruits of the so-called greenhouse effect, the warming of the earth that many say will result from humanity's release of excessive heat-trapping gases like carbon dioxide and methane into the atmosphere. But Donald A. Graybill, who studies bristlecone pine trees growing at high elevations in the White Mountains of eastern California, has evidence that the carbon released into the air by the burning of fossil fuels like coal and gasoline is sharply stimulating the growth of bristlecones. Scientists have yet to observe any other tree or plant species respond to elevated carbon levels with a noticeable spurt in growth, but Dr. Graybill suggests the bristlecone pine may be the first and most sensitive indicator of profound changes yet to come in the world's forests and fields. ISA J. Graumlich, who examines the ring patterns of foxtail pine trees and western junipers in the Sierra Nevada, has compiled a detailed record of the year-to-year variation in temperature and precipitation over the last thousand years. She has seen in the North American trees the feathery but unmistakable signatures of the Medieval Warm Period, a era from 1100 to 1375 A.D. when, according to European writers of the time and other sources, the climate was so balmy that wine grapes flourished in Britain and the Vikings farmed the now-frozen expanses of Greenland; and the Little Ice Age, a stretch of abnormally frigid weather lasting roughly from 1450 to 1850. "We can now see that these were global climate phenomena, not regional temperature variations," she said.

IN BRIEF

Sky Searchers Want A Purer Lead Barrier
PARIS (IHT) — Astrophysicists searching for the "dark matter" believed to make up most of the universe have turned to archaeologists for supplies of ancient lead with which to shield their instruments. French scientists have built an underground laboratory in the Fréjus tunnel under the Alps, using the 1,780 meters (5,875 feet) of rock above their heads to screen out cosmic rays. To screen out radiation

from the rocks themselves, the scientists need to surround their instruments with a thick barrier of lead. But lead that has been exposed to the modern environment can also give off radiation. So scientists are seeking supplies of lead that have been untouched since antiquity. Where before there were blurred images and scientific speculation, the Hubble has revealed pinwheels galore, ellipses, rattails, spheres and — here and there — the vicious slicing and dicing of one whirling galaxy by another.

Telescope, astronomers have for the first time distinguished the shapes of galaxies as they existed in the universe at least four billion years ago, before they were rearranged by collisions and other forces. The narratives are written in the rune-like script of tree rings, and the scientists at the Arizona laboratory are making great progress in deciphering their meaning. The scientists, called dendrochro-

ronologists, are using visible and microscopic details of ring patterns in conifer trees to understand subtle shifts in the earth's climate that occurred many centuries before human observers began keeping uniform and detailed records. With these insights into prehistoric weather conditions, the scientists hope to forecast better how global climate will fare as industrialization continues. And while the Arizona researchers take pains to plug their tree-ring

laboratory as the first and largest of its kind, they are happily collaborating with other tree-ring specialists at Columbia University's Lamont-Doherty Geological Observatory in New York, the University of Washington, the University of Arkansas, and groups in Germany, Russia, Spain and elsewhere, to thread together a comprehensive picture of the planet's changing climate as captured in the silent columns of its forests. The instrumental data available for climate studies only go back 80 to 100 years at best, said Peter Brown, a dendrochronologist and

climate researcher at the laboratory. "Tree rings give us an objective accounting of the same sort of data that takes us back thousands of years," he said. The researchers scrutinize the ring patterns of trees that rank as the oldest organisms on earth, among them the bristlecone pines that are nearly 5,000 years old and are so hunched and gnarled they look every day of it; and a type of conifer called the Alerce that is related to the giant sequoias and that the Arizona researchers have just confirmed is the second-oldest species alive, living about 4,000 years.

What evidence there is suggests there are no particular developmental or emotional deficits for children raised by gay or lesbian parents," said Dr. Michael E. Lamb, chief of the Section on Social and Emotional Development at the National Institute of Child Health and Human Development. "The research is still relatively sparse, but it all suggests the same thing: These kids look O.K."

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When Parents Are Gay Studies Find No Pattern of Problems

By Daniel Goleman
New York Times Service

NEW YORK — Michael McCandlish is 12, spends five nights a week with his mother and two with his stepmother. And every now and then, he spends time with his Dad. But even in this day of ever-mutating family ties, Michael's situation is unusual. While his "Mom," Dr. Barbara McCandlish, is his biological mother, the woman he calls his "Step-Mom" was his mother's lesbian lover — and co-parent — until they separated when Michael was 5. Michael's "Dad" is his biological father, a gay man who was an anonymous sperm donor at the time Michael was conceived, but whom Michael has since gotten to know. Michael, a sixth-grader in Santa Fe, New Mexico, is on his school's basketball team, plays in Little League baseball, and is a snowboarding enthusiast. Does Michael feel uncomfortable with his unorthodox parents? It's never been a problem," Michael said. "I've always been pretty open about it, and I don't worry about it." And, according to a review of new studies in the journal Child Development, children raised by gay parents are no more likely to have psychological problems than those raised in more conventional circumstances. While they may face teasing or even ridicule, especially in adolescence, the studies show that, overall, there are no psychological disadvantages for children like Michael in being raised by homosexuals. That conclusion challenges a view long held by some mental health specialists. And the prevailing view has been reflected in court rulings in custody disputes around the country where judges, even more than psychotherapists, have assumed that being raised by gay or lesbian parents is damaging to a child's emotional and sexual devel-

opment. As a result, homosexual parents have great difficulty winning custody of their children from a heterosexual partner in divorce proceedings. In recent years, though, the scientific consensus has begun to change, as more and more experts conclude it is based on anecdotal reports and biased research rather than scientifically gathered evidence. "What evidence there is suggests there are no particular developmental or emotional deficits for children raised by gay or lesbian parents," said Dr. Michael E. Lamb, chief of the Section on Social and Emotional Development at the National Institute of Child Health and Human Development. "The research is still relatively sparse, but it all suggests the same thing: These kids look O.K."

children are conceived or adopted by gay couples are growing more common. Mr. Fisher, for example, is raising a 2½-year-old girl and a 6-month-old boy, both by surrogate mothers. His gay lover is employed outside the home, while Mr. Fisher works at home so he can care for the children. The new studies all point in the same direction. "There is no adverse effect on any psychological measure," said Dr. Julie Gottman, a clinical psychologist in Seattle. Her study was published in 1990 in "Homosexuality and Family Relations" (Huntington Park Press). She compared two groups of 35 adult women with 35 who had been raised by lesbian mothers after a divorce from the father. The children were 25 on average when Dr. Gottman studied them. As a group, the children of lesbians did not differ from children of heterosexual mothers in their social adjustment or their identity as a boy or a girl, Dr. Gottman found. The children of lesbians were no more likely to be homosexual than those of heterosexual mothers. "What mattered most for their adjustment was whether the mother had a partner in the home, whether male or female," Dr. Gottman said. "If so, those children tended to do somewhat better than the others in self-confidence, self-acceptance and independence. But the sexual orientation of the lesbian mothers had no adverse effects."

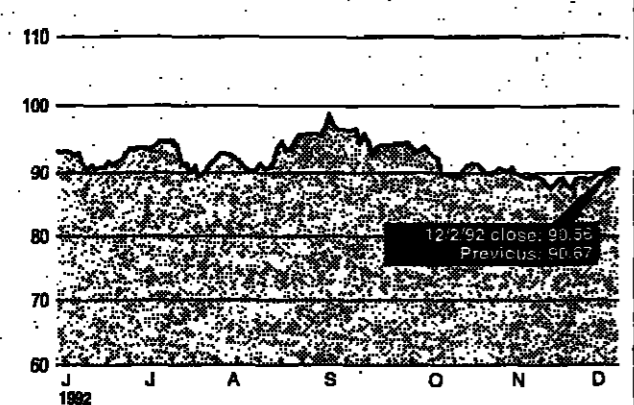
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However, researchers say the definitive study, which would follow the adjustment of large numbers of children over several decades, has yet to be done. And data from a study by Dr. Patterson, to be published early next year, show that the children of lesbian mothers are more likely than others to report feelings of anger and fear, as well as more positive feelings like contentment. It is unclear whether the findings reflect greater stress among the children of lesbians or a greater openness about their feelings.

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INTERNATIONAL MANAGER

Westinghouse Chief Finds Ignorance Is Not Blissful

By Kathleen Day
WASHINGTON — Just before Paul E. Lego became chairman of Westinghouse Electric Corp. in July 1990, he flew to Florida for what he expected to be a routine meeting with securities analysts...

Executives Scramble to Cash In Now

By Steve Lohr
NEW YORK — This could be a banner year for executive pay, thanks to Bill Clinton. To avoid the higher taxes the president-elect has vowed to slap on their multimillion-dollar pay packages, corporate executives from Wall Street to Hollywood are figuring ways to reap pay and benefits this year instead of next...

Under Clinton tax proposals, companies would be able to deduct only \$1 million for each executive. price of the option — \$3.60 a share in the Disney case — and market price of the stock at the time the option is exercised — about \$40 a share, in this case — is deemed compensation awarded to the executive.

Turmoil Poses Lasting Threat In Hong Kong

Compiled by Our Staff From Dispatches
HONG KONG — Political fears hammered the Hong Kong stock market for the second straight day on Wednesday, bringing warnings of a protracted slump for investors despite an economic boom.

EC to Press for Change in U.S. Trade Law

Compiled by Our Staff From Dispatches
GENEVA — The European Community intends to ask for the abolition of Section 301 of the U.S. trade law in negotiations aimed at concluding the Uruguay Round of GATT negotiations, EC sources said Wednesday.

Until now, France has been isolated within the Community as a result of its threat to veto the EC agreement with Washington to cut farm subsidies. Without going into details, Mr. Bérégovoy told parliament that other EC countries were coming around to France's view following Washington's decision to impose punitive tariffs on European steel exports.

Hills Announces Taipei Trade Deal During Rare Visit

Compiled by Our Staff From Dispatches
TAIPEI — Trade Representative Carla A. Hills, on the first visit to Taiwan by a U.S. Cabinet member in 13 years, announced a trade agreement Wednesday intended to help the United States get a share of a \$300 billion development plan.

Looking for a Little Clinton Lift

The Associated Press
WASHINGTON — President-elect Bill Clinton's economic-stimulus program will provide a small boost to the U.S. economy next year, enough to make only a tiny dent in the unemployment rate, business economists predicted on Wednesday.



Democracy in the Eurocracy

Compiled by Our Staff From Dispatches
BRUSSELS — The EC Commission, reacting to criticism that it imposes its will on Europe from a ivory tower, on Wednesday took the first steps to seek more public involvement in its work.

Make EC documents available to the public faster through its information offices across the 12 EC states. Give more publicity to existing data bases and make these data bases more easily accessible.

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates. Includes various financial data points and interest rates.

Centel Believes Sprint Merger Won Approval

Compiled by Our Staff From Dispatches
CHICAGO — Centel Corp. predicted victory Wednesday for a proposed merger with Sprint Corp. after Centel shareholders voted on one of the year's most hotly contested buyouts.

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EC Steelmakers Fear a Flood U.S. Tariffs Likely to Create Glut in Europe

Bloomberg Business News

European steelmakers, angered at the U.S. imposition of punitive tariffs on their exports of steel plate, argued Wednesday that the worst, broadest effect would be the flooding of the EC market with products that can no longer compete in America.

The U.S. government on Monday imposed countervailing anti-dumping duties ranging from 20 to 59 percent on rolled flat steel from 9 European Community countries. Only German steel producers escaped lightly, with 1 percent duties.

The U.S. Commerce Department said that it had found evidence of illegal state subsidies to the steel industry from all 12 EC states.

A spokesman for Cockerill Sambre of Belgium said: "The problem is everything exported to the U.S. will come back on the EC market. That could pose problems."

CSI of Spain, striking a similar note, said the measures would force other European steel producers to concentrate their efforts on the internal European market and lead to a general lowering of prices within the Community.

The EC Commission said the duties would have a double impact on the EC market because the Community would be flooded by exports from Eastern Europe, also hit by the U.S. duties.

The transatlantic steel war has flared up repeatedly over the past decades. The U.S. says massive subsidies — \$69 billion in the first half of the 1980s alone — enabled European producers to dump steel on the U.S. market at rock-bottom prices.

Here are reactions, country-by-country, to the U.S. decision:

● **Germany.** The president of the German Steel Association, Ruppert Vondran, said the U.S. sanctions, although "unjustified," would have little effect

there. "We welcome the fact that the EC steel producers aren't being lumped together to be made accountable as one European entity," he said.

● **France.** Usinor Saciilor, one of the companies most affected by the move, said it intended to fight back through the French government, the EC Commission and the General Agreement on Tariffs and Trade. Usinor Saciilor exports 450,000 metric tons of flat steel products to the United States per year, nearly one quarter of the 2.1 million tons, worth about \$1 billion, shipped by EC producers. Washington has estimated that subsidies received by Usinor Saciilor amount to about 26 percent of its production costs, and is imposing a provisional duty of that amount on its exports.

● **Spain.** CSI, Corporación Siderurgia Integral, stands to have 100,000 metric tons of steel exports a year impeded. CSI is in the process of merging with Altos Hornos de Vizcaya, or AHV, and the state-owned Empresa Nacional de Siderurgia SA, or Ensisida. AHV exports between 70,000 and 100,000 metric tons of steel annually to the United States, a spokesman said.

● **Italy.** Federacciai, the national steelmakers' federation, said Italian producers would not be directly hurt. Federacciai said only about 30,000 tons a year of Italian exports would be affected.

● **Belgium.** Cockerill Sambre must pay 30 percent duties, but exported only 148 metric tons to the United States in 1991. "We produce 4.5 million tons of steel a year," a spokesman said. "We don't care about the 148 tons or the 30 percent." Some smaller Belgian steel companies have been hit by the countervailing duties, but again the impact is minimal. Industry sources said the overall countervailing duty for plate made in Belgium was 8.48 percent.

Coca-Cola Adds Output In Romania Poland to Cut Back Steel, Coal Sectors

Compiled by Our Staff From Dispatches

BUCHAREST — Coca-Cola Co. announced Wednesday it would double its investment in Romania.

Neville Isdell, senior vice-president for Coca-Cola's Northeast Europe and Africa region, said the company, in a joint venture with a Turkish bottler, would open a new bottling plant in the northeastern city of Galati. Coca-Cola will also expand a plant in the Black Sea port of Constanta so that the plant, which was only bottling Coke, can produce it as well.

Investment in the Coca-Cola system in Romania amounts to \$38 million so far and will rise to \$80 million by the end of 1993, said Mihai Kent, president of Coca-Cola's Eastern and Central Europe division.

"Demand in Romania has exceeded all the optimistic expectations which we had when we came into Romania little more than a year ago," Mr. Isdell said.

Although Romania has opened considerably to foreign investment since the collapse of Communism in 1989, investment has been braked by doubts about its commitment to democracy and free markets.

But Mr. Isdell said Coca-Cola's experience over the past year had indicated "there is no political risk in investing in Romania."

(AP, Reuters)

Compiled by Our Staff From Dispatches

WARSAW — The Polish government unveiled Wednesday a restructuring program for its once heavily subsidized steel and coal industries that would sharply cut both production and employment.

Steel production is to drop to about 10 million tons by the year 2002, from the current level of 18.5 million tons, while as much as two-thirds of the work force of 120,000 may lose their jobs.

"The plan is aimed at increasing production of high-quality steel that would be competitive on Western markets," said the industry ministry spokeswoman, Grazyna Lewandowska.

She said energy-saving technologies would be installed in the two biggest steelworks, in Nowa Huta and Katowice in southern Poland.

The ministry predicts \$4.5 billion will be needed during the next decade to implement the program. The government hopes part will come from the World Bank and other development funds. The rest will have to be covered by the deficit-ridden government budget or from the resources of the plants.

A special institute will be created next year to supervise the restructuring process.

The government wants to spend \$70 million to create 50,000 new jobs for those laid off.

The Polish steel industry is largely outdated, with 18 of 26 steelworks built before World War II.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1900	2800	2100		
1800	2700	2000		
1700	2600	1900		
1600	2500	1800		
1500	2400	1700		
1400	2300	1600		
Exchange Index Wednesday Prev. Close Close % Change				
Amsterdam	CBS Trend	104.40	104.30	+0.10
Brussels	Stock Index	5,531.99	5,560.16	-0.33
Frankfurt	DAX	1,533.66	1,544.89	-0.71
Frankfurt	FAZ	606.77	605.47	+0.21
Helsinki	HEX	846.88	860.70	-1.61
London	Financial Times 30	2,087.80	2,106.50	-0.41
London	FTSE 100	2,764.10	2,782.00	-1.00
Madrid	General Index	209.20	212.00	-1.32
Milan	MI8	853.00	865.00	-1.39
Paris	CAC 40	1,783.33	1,792.29	-0.50
Stockholm	Affarsvaerlden	992.35	1,002.48	-1.01
Vienna	Stock Index	346.78	346.15	+0.18
Zurich	SBS	639.50	640.70	-0.19

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Union des Assurances de Paris said it would inject 1.4 billion francs (\$260 million) of new capital into its Banque Worms subsidiary: part of the funds will be reinvested in three joint companies to be created by UAP and Banque Worms, mainly in property and financial consulting.
- Banque Bruxelles Lambert SA's chief executive, Theo Peeters, has resigned; he will be replaced by Daniel Cardon, a member of the executive committee.
- Pechiney SA will cut 1,250 jobs in various sectors in the next 18 months.
- Standard Chartered PLC said Patrick Gillam, the company's deputy chairman, will become chairman when Rodney Galpin retires in May.
- Hoechst AG said its merger with Fried. Krupp AG can now proceed after three of its shareholders withdrew a legal challenge to the plan.
- DAF NV, the troubled Dutch carmaker, denied a published report that it may pull out of its joint truck venture with Renault in Britain.
- Granada Group PLC, the leisure and television concern, said its pretax profit more than doubled in the year ended Sept. 26, to £130.2 million (\$200 million), because of cuts in operating costs.
- Bass PLC reported a 17 percent rise in pretax profit for the year ended Sept. 30, to £501 million, but was cautious about the outlook for 1993.

Reuters, AFX, Bloomberg, AFP, AP

WESTINGHOUSE: No Bliss in CEO's Ignorance

(Continued from first finance page)

less \$2.65 billion of the unit's approximately \$9.2 billion of assets.

Shareholder groups said every one but Westinghouse was sure more losses would be declared. A group of shareholders sued the company, claiming the financial unit's woes had been purposely understated, inflating the stock price and misleading investors.

Still, Mr. Lego resisted further steps. Westinghouse stock, which was trading in the high \$20s when he became chairman, fell to the \$9 range as pressure mounted for him either to resign or jettison the financial-services unit.

Westinghouse Financial has not only been a drag on profit — it was responsible for a loss of \$1.09 billion last year — but also has caused a cash crunch in the parent corporation and hurt its credit rating. Worst of all, critics said, worry over the

financial unit distracted management from helping Westinghouse's core businesses in electronic defense systems and broadcasting to grow.

Instead, they say, Westinghouse Financial lost time and money in a series of ill-advised ventures, including a savings-and-loan association it must now sell; Phar-Mor Inc., the discount pharmacy chain that filed for bankruptcy protection after an executive allegedly stole about \$10 million; and Pills Department Stores Inc., which filed for bankruptcy six months after Westinghouse lent it \$30 million.

Layoffs of more than 4,000 employees in the Baltimore electronics division in the last two years might have been avoided, some shareholders said, had investment money been better deployed.

Most of the directors of Westinghouse, including Mr. Lego, were on the board during the 1980s and

approved the venture into risky financial businesses. Mr. Lego also angered shareholders when he and other senior managers gave themselves millions of dollars in bonuses based on the company's 1990 unaudited performance. In 1991, Westinghouse revised the 1990 numbers, taking a \$975 million charge against earnings that would have wiped out the bonuses. Management kept its reward anyway.

Once the company disposes of the financial-services unit and sells its furniture company, two electronics divisions and a real estate subsidiary to offset losses, it will be left with three technology-based businesses — electronic systems in Baltimore, environmental systems and electric power systems — and with strong businesses in transport temperature control and broadcasting. But the stripped-down Westinghouse will be far from the industrial giant it once was.

GATT: EC to Press U.S. on Law

(Continued from first finance page)

subsidies to one side while seeking to make progress in other areas.

"The dispute over farm trade can be set aside to negotiate other aspects of the General Agreement on Tariffs and Trade," said the industry and foreign trade minister, Dominique Strauss-Kahn, during a visit to Kuala Lumpur.

"We can come back to the agriculture question when we have resolved the 14 other issues such as free market access, financial services and a code on subsidies," Mr. Strauss-Kahn said.

In Paris, the agriculture minister, Jean-Pierre Soisson, said that "there is not and there will not be a trade war with the United States."

"That is not the intention of the French government."

■ **Wine Tax Still on Books**
To the consternation of wine im-

porters, the Bush administration has not formally canceled its decision to impose a tariff on white wine from the European Community starting Saturday. But trade officials say not to worry. The New York Times reported from Washington.

The administration agreed on Nov. 20 to forgo the import taxes as part of the farm-subsidies deal. But the extra taxes will automatically take effect Saturday unless officially canceled.

Julius Katz, the deputy U.S. trade representative who has handled the issue, said that he expected the sanctions to be canceled by the end of the week. The delay was necessary because official texts of the farm-subsidy pact were still being prepared and must be officially exchanged by American and European officials, he said.

EC Projection Offers 'Bleak' Growth Picture

Bloomberg Business News

BRUSSELS — The European Community cut its growth estimate for this year to 1.1 percent from 2.5 percent on Wednesday, and it predicted a weak economy for 1993.

Finance Commissioner Henning Christophersen said the EC Commission predicted "bleak" 1993 growth of between 1 percent and 1.5 percent. He said he would present to EC leaders later this month a previously announced growth initiative.

Unemployment in the 12 EC member states is forecast to rise to 11 percent next year and "could even go beyond that," Mr. Christophersen said. "The improvements in unemployment which have taken place since 1986 will be wiped out and we will be back to the situation we were in five years ago," he said.

Lego to Open Park in Britain

Compiled by Our Staff From Dispatches

COPENHAGEN — Lego A/S, maker of toy building blocks, said it would open its first family amusement park outside Denmark on the site of the Windsor Safari Park, west of London, in spring 1996.

Lego also said its second foreign park would probably be opened in the United States around 1998.

The concept and attractions at the new park will be inspired by Legoland in Denmark, a park that contains a small world of famous buildings made of 35 million plastic Lego bricks and which is the country's major tourist attraction outside of Copenhagen.

Lego said it intended to spend 600 million kroner (\$94 million) to develop the British park.

(AP, Reuters)

REPUBLIC OF LEBANON
REHABILITATION OF THE POWER SECTOR
PRE QUALIFICATION OF CONTRACTORS

For the rehabilitation of power, transmission and distribution facilities throughout Lebanon, the Republic of Lebanon has received a joint US\$ 110 million loan from the Arab Fund for Economic and Social Development and the Kuwait Fund for Arab Economic Development, US\$ 30 million equivalent from the Italian Government, and has applied for a US\$ 175 million from the International Bank for Reconstruction and Development (IBRD), part of which will be applied towards the costs of rehabilitation. Negotiations are underway with other donors to secure additional funding.

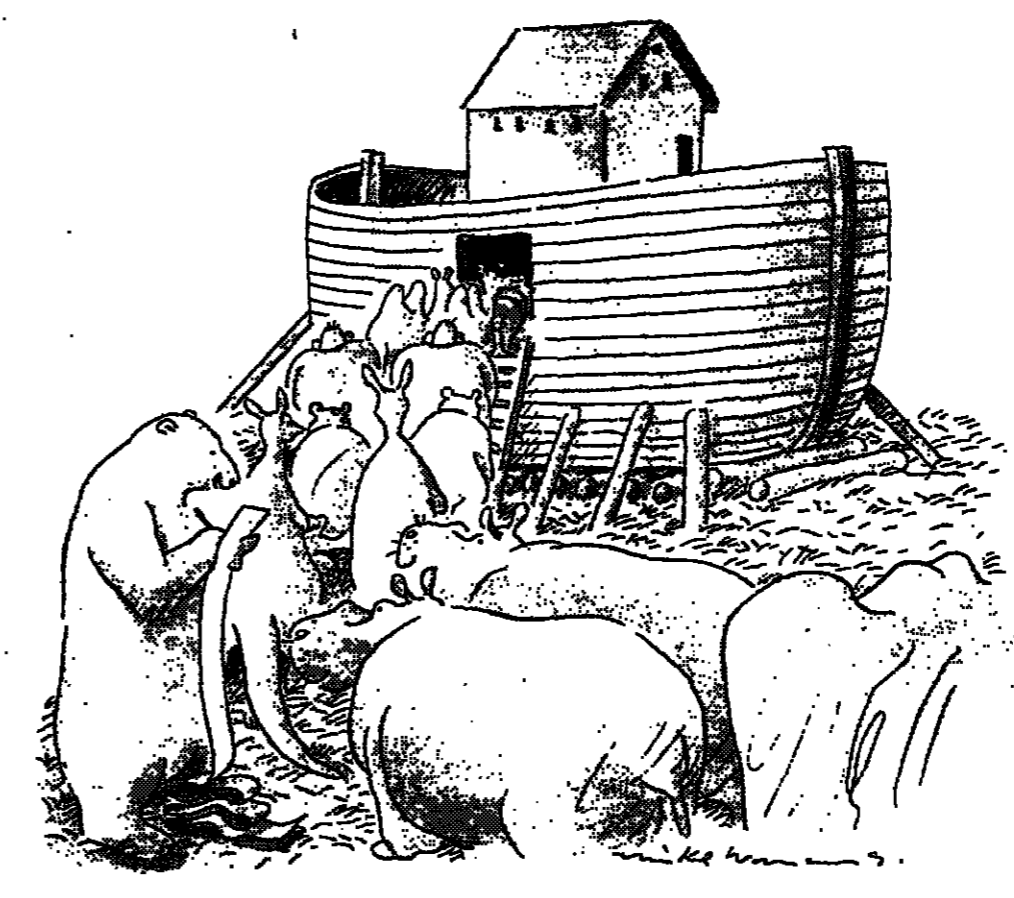
It is intended that the proceeds of the above loans will be applied to payments to prequalified contractors under contracts to be awarded for the following work packages:

- overhaul, repair and retrofitting of boilers, steam turbines and auxiliaries of the power stations of Zouk (3 x 140 MW and 1 x 170 MW), and Jieh (2 x 60 MW and 3 x 69 MW);
- overhaul repair and retrofitting of six gas turbines at Zouk (4 x 30 MW and 2 x 20 MW);
- reconstruction, repair and retrofitting of 66kv/33kv/11kv substations (about 30);
- reconstruction of 150 kV and 66 kV overhead lines and underground cables;
- reconstruction, repair and retrofitting of distribution networks (33 kV, 11kV and 0.4 kV lines substations) and consumer connections.

The works will be executed under the supervision of consultants appointed by Electricite du Liban, CDR under donors guidelines.

Due to the critical and urgent nature of the work packages the times allowed for bid preparation and, later, implementation at the works will be kept to a minimum. Therefore only contractors who are capable of working under tight schedules and controls need apply for prequalification and such ability will be expected to be demonstrated during the prequalification exercise. Reasons for not prequalifying any firm or consortia need not be given and no costs associated in prequalifying will be reimbursed. Invitations for bidding will only be sent to firms or consortia which are prequalified.

The Council for Development and Reconstruction (CDR) invites contracting forum or consortia interested in bidding for all of the packages, to obtain prequalification documents from the CDR, Beirut - Lebanon that will be available by December 3, 1992. Deadlines for submission of prequalification bids with all supporting material at the CDR offices in Beirut, Lebanon is 12:00 noon on December 21 1992.



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NYSE

Wednesday's Closing
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Ch.	Y.M. Pk	52 Wk High	52 Wk Low	P.A. Cl.
112 1/4	111 3/4	IBM	+	111 3/4	107 1/2	100 1/2	111 3/4
111 1/2	110 3/4	Microsoft	+	110 3/4	105 1/2	98 1/2	110 3/4
109 1/2	108 3/4	Apple	+	108 3/4	103 1/2	96 1/2	108 3/4
108 1/2	107 3/4	Oracle	+	107 3/4	102 1/2	95 1/2	107 3/4
107 1/2	106 3/4	Sun	+	106 3/4	101 1/2	94 1/2	106 3/4

[The rest of the NYSE table is partially obscured and contains dense, illegible text.]

Symbol	Price	Change	Volume
IBM	112 1/4	+ 1/4	15,200
Microsoft	111 1/2	+ 1/4	12,500
Apple	109 1/2	+ 1/4	10,800
Oracle	108 1/2	+ 1/4	9,500
Sun	107 1/2	+ 1/4	8,200

[The remainder of the table contains many more columns and rows of market data, including various indices and individual stocks, which are mostly illegible.]

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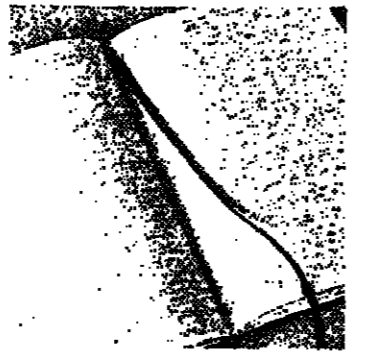
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Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attache case, and has gilt-metal corners, gold page-edges and French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates.



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useful gift for executives
on the move

(Continued on next page)

NYSE

Wednesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Large table containing NYSE market data, including stock prices, volume, and various market indices.

AMEX

Wednesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

AMEX market data table, listing various stocks and their prices, organized into sections like 'New Highs', 'New Lows', and 'High-Lows'.

Summary table for NYSE High-Lows and AMEX High-Lows, providing key statistics for the trading day.

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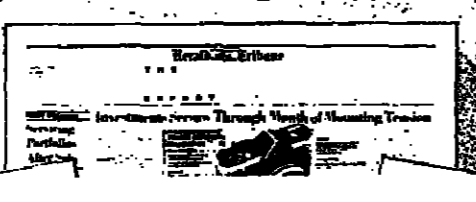
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THE REPORT every Saturday in the IHT.



Foreign Investors Are Running Away From Sydney Market

SYDNEY — Net foreign investment in Australian stocks has dropped by nearly 700 million dollars (\$480 million) in the first nine months of this year...

BA Said to Near Qantas Bid

SYDNEY — British Airways has prepared a bid for a 49 percent stake in Qantas Airways in conjunction with Australian institutional investors...

Japan, EC Split Over Car Quotas

Compiled by Our Staff From Dispatches. TOKYO — Serious differences over prospects for the European car market are complicating the issue of Japanese auto exports to the European Community...

POSCO Plans 2d China Plant Deal Reflects Warm Seoul-Beijing Relations

SEOUL — Taking advantage of improved relations between Beijing and Seoul, Pohang Iron & Steel Co., South Korea's largest steelmaker, said Wednesday that it planned to build a cold-rolled steel sheet plant in China at an estimated cost of \$500 million...

Investor's Asia

Table with columns for Exchange, Index, Wednesday Close, and % Change. Includes data for Hong Kong, Singapore, Tokyo, and other regional markets.

Nomura to Reduce Staff By Cutting Back Hiring

TOKYO — Nomura Securities Co., struggling during a stock-market slump, said Wednesday it would reduce hiring to trim its staff by 1,400 jobs over the coming three years...

Toshiba Claims First in Recycling

TOKYO — Toshiba Corp. announced Wednesday the development of the world's first technology for reclaiming fuel oil from chlorinated plastics without emitting a poisonous gas...

Very briefly:

- Yanase & Co., Japan's top dealer of foreign cars, plans to sell 20,000 automobiles made by Adam Opel AG... Koyo Group Co. launched a 21.5 million yen (\$172,300) X-ray machine...

Table of international fund listings including ABC INVESTMENT & SERVICES CO. (EC), ADVANTAGE INTERNATIONAL FUND, and various regional and global equity funds.

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المجلة الدولية

SPORTS BASKETBALL

The Shaq Is Shackled In Seattle

The Shaq Attack snagged a tooth in Seattle's O'Neal, the sensation...

NBA HIGHLIGHTS

got the ball to fall. O'Neal said...

Knicks 101, Trail Blazers 85

New York followed its 37-point victory at home over defending champion Chicago...

Cavaliers 111, Celtics 101

Brad Daugherty returned from a nine-game layoff and scored 27 points as Cleveland stopped visiting Boston...

Jordan Misses Second Game

CHICAGO — Michael Jordan was not able to play in the Chicago Bulls-Boston Celtics game Wednesday night because of his sprained foot.



Kevin Duckworth ran into a thicket of Knicks, headed by Charles Oakley, as New York's theory defense stopped Western Conference-leading Portland, 101-85, in Madison Square Garden.

Jordan Misses Second Game

CHICAGO — Michael Jordan was not able to play in the Chicago Bulls-Boston Celtics game Wednesday night because of his sprained foot.

Condescending and Standpat, Bulls May Be Headed for Fall

By Harvey Araton. NEW YORK — Michael Jordan really said this on Saturday night's dreadful 37-point loss to the New York Knicks: "If we play better, I think we can beat this team with a problem."

2 Powerhouses Tested in Openers

The Associated Press. The first full night of college basketball in the 1992-93 season was almost a dead end for top-ranked Michigan and No. 6 Seton Hall.

Michigan Scrapes By Rice, Seton Hall Holds Off Rider

points — "We stunk it up for 20 minutes," said his coach, Roy Williams — and might have had more of a problem had visiting Georgia not shot 11-for-22 from the free throw line.

Freshman John Wallace added 17 points and 10 rebounds as the Orangemen won their season opener for the 16th time in coach Jim Boehm's 17 seasons.

COLLEGE BASKETBALL

scoring drought, while junior college transfer Darrin Hancock had 14 points and eight rebounds in his Kansas debut.

No. 18 Michigan St. 121, Morehead St. 53: Shawn Respert scored a career-high 32 points, including 22 in the first half, to help the Spartans to a record-setting victory.

No. 13 Georgia Tech 112, Florida A&M 83: Sophomore Travis Best scored 22 points and ignited a spurt early in the second half that carried the Yellow Jackets to victory.

No. 7 North Carolina 119, Old Dominion 82: Donald Williams scored 21 points and Eric Montross added 17 and Bobby Hurley added 17 and Cherokee Parks 16.

No. 17 Syracuse 97, Cornell 65: Lawrence Moten's 29 points — 18 of them in the first half — helped Syracuse crush its Ivy League neighbor for the 24th straight time.

SIDELINES

Australian Cricket Players Fined

MELBOURNE (AP) — Australia's captain, Allan Border, and pace bowler Merv Hughes both were fined Wednesday after being found guilty of dissent during the first cricket test against the West Indies in Barbados.

PGA Acts to Speed Up Slow Players

PALM HARBOR, Fla. (AP) — The U.S. PGA Tour Policy Board has adopted tougher, more stringent guidelines involving slow play in pro golf tour events that, subject to ratification, could go into effect at the Doral Open in March.

Bulgaria Defeats Israel In World Cup Qualifier

TEL AVIV — Barcelona striker Hristo Stoichkov, threatened with being dropped for disciplinary reasons, set up Bulgaria's opening goal Wednesday in a 2-0 over Israel in a World Cup qualifying match.

SCOREBOARD

BASKETBALL

Table with Major League Soccer scores and NBA Standings for various teams like Boston U, Miami U, etc.

TRANSACTIONS

Table listing baseball transactions, including signings and releases for teams like Boston, Seattle, and Cincinnati.

For the Record

The National Football League, reacting to the possibility that heavyweight champion Riddick Bowe might defend his title at halftime on a rival TV broadcast, said it will adhere strictly to a 20-minute interval at the Super Bowl, a reduction of 12 minutes from last year.

Quotable

Rick Majerus, University of Utah basketball coach: "They talk about the economy this year. Hey, my hairline is in recession, my waistline is in inflation. Altogether, I'm in depression."

ESCORTS & GUIDES

Table listing international classified services including escorts and guides for various cities like London, Zurich, and Geneva.

CRICKET

Table with cricket match results and player statistics for various international teams.

SOCCER

Table with soccer match results and player statistics from various leagues including the German Cup and English League Cup.

ESCORTS & GUIDES

Table listing international classified services including escorts and guides for various cities like London, Zurich, and Geneva.

ESCORTS & GUIDES

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ART BUCHWALD

Unchristian Remarks

WASHINGTON — I was on a Greyhound bus going to Baltimore the other day. I came across a story in the newspaper concerning the trouble that Governor Kirk Fordice of Mississippi got into when he said in a speech that "it was a simple fact of life" that the United States was a "Christian nation." He was rebuked by the governor of South Carolina who said that it was a Judeo-Christian country.



...The discussion was getting out of hand, so I said, "I know that this country prides itself on accepting all kinds of religions, but you can't include everyone when you go in America you'll find a group of people who worship their own God but that doesn't mean you include every religion at a governor's conference."

The Rijksmuseum Buys Portrait by Rembrandt

AMSTERDAM — The Rijksmuseum said it bought a portrait by the Dutch master Rembrandt from two American collectors for \$9.5 million. Otto Naumann and Alfred Bader paid \$4.18 (about \$8 million) for it at a Sotheby's auction in July.

"I certainly won't. How about this: 'What makes us the greatest people on the face of the earth is that we are a Hindu-Buddhist-Shiite Muslim-Judeo-Christian country?'"

"You're just saying that to eliminate the Holy Rollers," another passenger added as he sprinkled water on the bus driver. "The country would never have lasted this long if our sect hadn't led the way."

"Will you include Shinto as a national U. S. religion?" "I was just about to mention it," I assured him.

I felt that I had all the bases covered when another person got on the bus. He was asked what kind of nation he thought we were and he replied, "An agnostic nation."

The Star of the Show, the Son of Monk

By Mike Zwerin International Herald Tribune

PARIS — Theatrical Sphere Monk, a.k.a. the "High Priest of Bop" composed "weird" tunes, many of which turned out to be hits and left his family anything but destitute, contrary to popular myth that he was an airhead.

In the late 1970s, his son T. S. Monk, who handles the estate, had considerable success as a rhythm and blues artist. He learned about producing, royalties, publishing and promotion. T. S. is in a position to invest in proper production of lost recordings like jazz records. His first, "Take One," is out on Blue Note.

For the past five years, the institute has sponsored a competition for unknown players, each year a different instrument. Past winners went on to sign record contracts and become instant young Turks — the pianist Marcus Roberts, the trumpeter Ryan Kysor and the tenorman Joshua Redman, for example.

T. S. and his sister Barbara co-led the R&B band called T. S. Monk, scoring with the hit "Too Much Too Soon."

T. S. had a lot of business in him. He's a musician 100 percent, but he had learned which business practices worked and which did not. And he learned the ins and outs of raising funds for a tax-free foundation and how to put educational programs together.

Growing up as Thelonious Monk's kid was never a problem. He was "a super-cool dad, a super-cool dude." T. S. was given his first drum kit by Art Blakey, his first lessons by Max Roach. It's been a "piece of cake, a ball." He'd like to give something back.



T. S. Monk, promoting the institute by playing the music.

made of heavy metal and nobody had car alarms so you could bang on them without problems. At the time, his father could not afford to buy him drums. He says lack of instruments and musical programs in public schools combined with increased social consciousness produced rap music. He respects rap but wants ghetto kids to learn instruments and develop their culture and is guiding the institute into educational situations.

In connection with his institute work, every so often he would be asked to play by the likes of Clark Terry, Jimmy Heath and Wynton Marsalis. That meant he had to go to practice instead of "toying around with every drum machine on planet earth" in the computerized studio in his basement, basically just killing time. It occurred to him that in addition to all the necessary blah-blah, which he is already good at, he could promote the institute by playing the music.

The problem was that he already had a name, from his father and his R&B success. So if he walked on a bandstand, one way or another, club owners were going to exploit him. His name was going to be on the flyer or on the sign outside, so he decided to make a hit record, you have to be the star of the show.

Listening to the T. S. Monk Band, your reaction might be "too much attack, man, lighten up." Their neo-hard-bop is physical and fast — "Round Midnight" in triple-time. It can be compared to hard rock, not materially or texturally, but with its take-no-prisoners game-plan. Modeling his new incarnation principally on Blakey's Jazz Messengers, the band occasionally misses tackles. However, he presents music with a sheen, it sparkles, it's entertainment.

As far as T. S.'s is concerned, record-making is about hits. He doesn't care if it's a polka hit, a country hit, a rock hit or a bebop hit. It's about records. If you're going to make a hit record, you have to rehearse. You cannot write the tunes on Tuesday and record them on Thursday. He rehearsed his jazz sextet for four months before going into the studio, he could afford it. He considers every tune on his first jazz album "a hit, a classic. You can sing every song and even most solos, they are memorable. It's a question of good recording principles."

His father had been "miserable" because record companies "would not pick up the bread to give him one more day in the studio to get it right. They were making records for \$5,000 and then complaining that jazz records don't sell."

T. S. considers Thelonious the "ultimate pop writer in jazz in that he wrote more tunes than people can hum off the top of their head than anybody." He's on a "mission" to promote them, and others written by his father's neglected peers like Kenny Darnold, to get "jazz music that has generally been missed" out to the public and into the schools so that students who otherwise don't have access to obscure (and often sloppy) recordings can learn to appreciate music and keep it alive.

He does not miss the more earthy R&B groove. He applies a lot of what he learned over there to neo-bop. Anyway, who knows, he might go back to it one day. He considers R&B "real music, just another branch of some tree." In the meantime, he's obviously having fun. He feels fortunate being "allowed" to do this: "It's a hell of an adventure."

PEOPLE

Who? An Introduction To Katharine Hepburn

Burt Reynolds regaled a crowd at the Directors Guild in Los Angeles with the tale of how he lured Katharine Hepburn to appear in "The Man Upstairs," a made-for-TV Christmas movie that she says is her last performance. Reynolds said he was "scared to death" when he called Hepburn to pitch his project and was taken aback when she answered the phone herself. "Who the hell is this?" she demanded. Reynolds identified himself. "Who?" she repeated. "Four times I said my name," he said. "And every time, a 'Who?' Finally, he said, 'Burt Reynolds. I was very big in movies at one time.' Her response: 'Call me back.'"

Prince Charles will not let Princess Diana go with him to the United States in February because he dreads having the spotlight on their marriage again, according to the Sun newspaper. It's only been a month since their disastrous trip to South Korea, on which they were shown as an unsmiling, unfriendly pair. But despite what people think of individual members of the royal family, Britons remain staunch monarchists. So says a poll in the Daily Express. Asked whether the monarchy should end when Queen Elizabeth dies, 78 percent said no, 18 percent said yes. The poll also found that 71 percent believe the Duchess of York, who is separated from Prince Andrew, is the royal who has done the most damage to the family.

A year after his celebrated rape trial, William Kennedy Smith has immersed himself in the grueling routine of a medical resident at the University of New Mexico in Albuquerque. He tries to keep a low profile. But since Smith's acquittal, on Dec. 11, 1991, the woman who made the accusation, Patricia Bowman, has been campaigning against the news media.

Pierre Cardin has become the first couturier to gain a seat at the French Institute, as a member of its Academie des Beaux-Arts.

INTERNATIONAL CLASSIFIED Appears on Page 8

WEATHER

Table with weather forecasts for Europe, including cities like London, Paris, Rome, and Athens.

Table with weather forecasts for North America, including cities like New York, Chicago, and Los Angeles.

Table with weather forecasts for Asia, including cities like Tokyo, Seoul, and Hong Kong.

Table with weather forecasts for Australia, including cities like Sydney, Melbourne, and Perth.

Table with weather forecasts for Africa, including cities like Cairo, Johannesburg, and Lagos.

Table with weather forecasts for South America, including cities like Rio de Janeiro, Sao Paulo, and Lima.

Table with weather forecasts for Oceania, including cities like Auckland and Sydney.

CROSSWORD

ACROSS 1 Better 2 Batters 3 It ends in Oct. 4 Ousey 14 Part of O.E.D. 15 A-to-U trio 16 Workaholic's offices? 20 "The Godfather" character

DOWN 1 Jungfrau's local 2 Ecuadorian novelist Juan Leon 3 Flat 4 Egg 5 Abstein 6 Furnish with a new housetop

7 Talkers — no good doers? 8 Shaker 9 Singer Davis 10 Title: Abbr. 11 One who lifts 12 City near Milano 17 Biblical proposition 18 Tex. city 19 Side dish 20 Anguish 24 Minister, in Bonn 25 Stk. holding 26 Like Whirlie 27 Polman? 28 Go — out (hustle) 29 Hanpeck 30 Start 34 Hersheyfield hero 35 Pro 37 Hawaiian dish 38 Pat Bradley, e.g. 39 Young man 40 U.S.N.A. grad. 41 Ump's kin 44 Moonfish 45 Manly 46 With against a debbar

BOOKS

LOOKING AROUND: A Journey Through Architecture By Witold Rybczynski. Illustrated. 301 pages. \$22. Viking Penguin. Reviewed by Christopher Lehmann-Haupt

shift from a backstage space where the help once did the work, to a more public space where families increasingly live and entertain. As for the bathroom, he writes: "It is truly a place for self-presentation — of oneself, to oneself. A fitting sign of the self-absorbed, individualistic 1980s."

building of the post-World War II period," and then Peter Rose to create the Canadian Center for Architecture in Montreal. Yet it vexes him that in the journal Progressive Architecture, below a photograph of a house designed by Richard Meier for a couple with an extensive collection of art and craft objects, "the caption notes that because the architect did not approve every artifact in the collection, some pieces were temporarily removed when the photographs were taken."

when construction costs and the prices of existing homes seem impervious to recession, and when shrinking families have shown a willingness to make do with less space — "municipalities, reflecting the attitude of homeowners, have staunchly resisted the idea of modifying zoning regulations to permit the construction of smaller houses or to allow the subdivision of land into smaller plots."

By Alan Truscott JANICE GILBERT FULTON, known to the bridge world as Jan Stone, was an accomplished actress, painter, sculptor and champion at bridge, backgammon and word games.

When Jan Stone, as South, passed her partner's forcing response of one no-trump it was clear that her opening was psychic. The opponents were delighted to keep doubling, but West found the result in two spades doubled a disappointment: South could not be prevented from taking dummy's two aces and four trump tricks, losing 500.

Both sides were vulnerable. The bidding: South West North East 1 Pass 1 N.T. Pass 2 Pass Dbl. 2 Pass Pass Dbl. 2 Pass Pass



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Table listing international access numbers for various countries like Austria, France, Italy, etc.

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